



CONTINENTAL BILLING PRICES: AUSTRIA S.5.15; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.58; GERMANY DM1.78; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Ptas.33; SWEDEN Kr.2.75; SWITZERLAND Fr.1.78.

**exchange**  
**tonic**  
6.6 to 286.1  
Price of Crude  
Oil Petroleum C

**has invited three African**  
to represent the National  
next week's Geneva con-  
ference on Rhodesia. They are  
Shua Nkomo, Mr. Robert  
Mugabe and Bishop Muzorewa.  
Three have rejected the  
proposals for a two-  
transition period to majority  
rule announced by Mr. Ian  
Smith in his broadcast last  
week. Mr. Smith said he would  
lead a five-man delegation  
to Geneva.

**ings jailed**  
**two bomb**  
**is end**  
sentences from ten to 15  
years imposed at the Old  
Court on four men who took  
part in the bombing of a North  
British bus last Christmas.  
At Birmingham five men  
involved in IRA bomb in-  
cidents in Midlands involving  
were each jailed for ten  
years.

**assins known**  
identities of two of the  
men Provisional IRA assassins  
team responsible for the  
in July of Mr. Christopher  
Biggs, British Ambassador  
in Dublin, although names  
have not been known.  
Fund launched. Page 25.

**ud charge**  
mer partner in an estate  
firm and the chairman of  
very company were charged  
in court of a fraud con-  
spiracy relating to the sale of  
4-acre Tedford Road, Edin-  
burgh, in 1972.  
absence, Heronman made  
summed both men up  
on November 24 for con-  
spiracy.

**ice plea**  
some complaints against  
police should be kept to up-  
years' imprisonment, said  
Supt. Raymond Camp of  
and Yard, who investigated  
complaints.

**elly...**  
Africa tour by a blind  
Zealand boy, who has  
cancelled because it might  
be interpreted as supporting  
him.  
health alert was mounted  
back on passengers from  
and Sudan, where a killer  
is, similar to Eassa fever, is  
ant.

**has pegged tourist petrol**  
at 82p for Standard and  
for Super, though charges  
Italians went up last week.  
back disease is killing  
more trees in some London  
says the Forestry Com-  
mission.

## Industrial output recovery halts — doubts on growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The recovery in industrial production has stopped in the last few months, well before the recent sterling crisis and sharp rise in interest rates has had time to make any impact.

This will create even further doubts about the forecast in July by Mr. Denis Healey, the Chancellor, of a 4 per cent. annual increase in gross domestic product over the 13 months to the end of next year, and about hopes for reducing unemployment.

Industrial output fell by nearly 1 per cent. in August and has dropped by about 1 per cent. in the June to August period, compared with the previous three months.

Although the monthly figures have been erratic during the summer and the three-month comparison is affected by changed holiday patterns, the Central Statistical Office says the underlying level of industrial output probably changed little in recent months.

This is a significant contrast to the country's reaction to the drop in production in June, when it said that output was probably continuing to rise.

The latest figures not only tend to undermine the upgrading of the official forecast in July but also Mr. Healey's statement in the Commons on Monday that the "real economy is developing in line with their (the Government's) strategic objectives."

It is conceded in Whitehall that even allowing for all the special factors such as strikes and holidays, output has

fallen. The recovery in industrial production has stopped in the last few months, well before the recent sterling crisis and sharp rise in interest rates has had time to make any impact.

## Burmah sues Bank over BP deal

BY MARGARET REID

BURMAH OIL is suing the Bank of England over the much-disputed £175m. deal under which it sold its 20 per cent. shareholding in British Petroleum to the Bank in connection with the Bank's rescue operation to save off a financial crisis at Burmah.

Burmah, which yesterday announced a loss of £13.8m., before extraordinary items in the first half of 1976, compared with one of £12.6m. a year earlier, issued its writ against the Bank— from which it is still receiving assistance—a week ago.

In it, the company seeks an unravelling of the BP share transaction and the return to it of the £175m. BP shares, now worth £451m., against the repayment of the £175m. price which it received for them from the Bank in January last year.

The move comes after continuing controversy over the share sale, which was based on the unusually low BP share price prevailing in the very depressed stock markets early last year.

**Advice**  
Mr. Alister Down, Burmah's new chairman, said at the annual meeting on June 4 that he had counselled the advice that the group had a claim, which it had put to the Bank where it was under consideration.

In his earlier statement to shareholders, he had referred to an "overwhelming feeling that Burmah's problems would not have been so severe had more equitable terms been achieved in respect of sale of BP stock to the Bank of England in January 1975."

The Government first came to Burmah's aid in January last year by guaranteeing the group's \$650m. (£393m.) of dollar borrowings to allow it time to sell off its North American assets, a standby borrowing facility of £53m. was also provided.

In the same month, the Bank bought Burmah's 20 per cent. stake in BP.

## Forties oil estimate raised 25%

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL OUTPUT from British Petroleum's Forties Field should rise to 500,000 barrels a day by the end of next year, a 25 per cent. increase on the expected peak production rate.

The field's production next year should average 450,000 barrels a day, equivalent of about a quarter of Britain's oil requirements and worth over £1bn. in foreign exchange at present prices.

Forties should be yielding crude at its peak rate of 500,000 b/d for three or four years, an output worth at least £1.38bn. annually—considerably more if expected world oil price rises are taken into account.

The new production plans were announced yesterday by Mr. David Steel, BP's chairman, during a talk to the Fuel Luncheon Club in London.

The productive qualities of Forties were significantly better than expected, he said. However, the original estimate of 1.5bn. barrels of recoverable reserves had not been changed.

The reason for the public statement has puzzled some in the industry. It was widely known among offshore companies that since Forties came on stream last autumn it had produced at a higher rate than forecast by the normally cautious BP offshore staff.

One theory is that the Forties success might have been highlighted to underline the impact of the North Sea on Britain's economic position.

It is significant that Mr. Anthony Wedgwood Benn, Secretary of State for Energy, was quick to comment on BP's announcement and many others, should be "very good news for Britain that oil production from the field—one of the largest in the North Sea—is building up so strongly," he said.

## Hua Chairman, but China silent on Mao's widow

PEKING, October 12.

A SENIOR Chinese official to the story of their purge and arrest here yesterday.

Mr. Li's speech was notable for a harsh attack on the Soviet Union, which he labelled as the main source of a new war.

He described it as being ambitious "to dominate the whole globe and enslave all the world's people," but said this was a pipe-dream doomed to fail.

Speaking quickly, indistinctly and without the confidence developed by Mr. Hua during his eight months of Great Hall appearances, Mr. Li said that the Chinese people were determined to rally closely round the Party's Central Committee headed by Hua Kuo-feng. He made the now-standard reference to criticism of Teng Hsiao-ping and to repelling deviationist attempts to "reverse correct verdicts."

## Deadlock over current cost accounts formula

BY MICHAEL LAFERTY

FEARS ARE growing that the accountancy profession may not be able to reach general agreement on the proposed current cost accounting (CCA) system of inflation accounting.

This is because both the Accounting Standards Committee (ASC), which plans to publish its proposals on November 30, and Mr. Douglas Morphet's Inflation Accounting Steering Group appear to be deadlocked over the inflation accounting treatment of monetary items such as cash, debtors and borrowings.

Both groups have reached a general agreement on the application of CCA to fixed assets, depreciation, stocks and work-in-progress, the cost of sales adjust-

ment, and deferred taxation. This is in line with the main recommendations in the Sainsbury Report.

## Fleet Street newspapers issue statement on new technology

BY ROY ROGERS, LABOUR CORRESPONDENT

THE WIDESPREAD introduction of computer-based technology into the national newspaper industry moved a step nearer last night with the publication of a joint statement from the employers and the unions.

The product of almost a year's hard bargaining, it sets out an outline agreement on how the new processes should be introduced and how manpower should be pruned without any compulsory redundancies.



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**PRICE CHANGES YESTERDAY**

(in pence unless otherwise indicated.)

RISES	FALLS
3pc 1977	293 1/2
lays Bank	220 + 8
s Delft	198 + 8
nam	80 + 5
tandis	32 + 4
rt	304 + 24
	119 + 5
	300 + 2
	240 + 8
	242 + 7
erson "A"	215 + 7
er Siddeley	242 + 7
as	263 + 9
as Suga	148 + 5
s Industries	190 + 8
Westminster	188 + 7
or Woodrow	125 + 8
her (Distillers)	240 + 26
son Org	237 + 11



2

LOMBARD

# Politicians and the profit motive

BY GEOFFREY OWEN

MR. Dennis Canavan, Labour MP for West Stirlingshire, called in the House of Commons this week for "stricter price control on big business interests, especially in the view of recent reports such as the one about the sharks in the television rental business who are making excessive profits out of working people and their families."

Mr. Roy Hattersley, the newly appointed Secretary of State for Prices and Consumer Protection, replied by saying that the Government was talking to the TV rental companies and hoped to make a statement later this week or early next week, "according to how cooperative these companies are in responding to what we believe to be the needs of the nation."

## Inadequate

This exchange shows how even these Labour politicians who believe in the value of a healthy private sector (and Mr. Hattersley is one of these) help to perpetuate the misunderstandings about profits and, in particular, the confusion between profit-making and profiteering. The Price Commission report to which Mr. Canavan referred calculated that the return on capital employed by the specialist TV rental companies had declined from 24 per cent in 1973 to 19 per cent this year. Most people would regard these figures as less than adequate in today's inflationary conditions (a return of 25 per cent is often regarded as an appropriate target), although they are higher than the average return currently enjoyed by industry as a whole. Why should a successful industry be brought down to the average level?

The Commission argued that the TV rental companies were at an unfair advantage over the rest of industry because their profits were relatively high before the price controls were established, but continued to grow rapidly, and they were able to take advantage of the investment relief provisions of the Price Commission. There was no suggestion that the companies had broken the Code or had exploited the consumer, although the timing of certain price increases had shown "an insensitivity to public reaction."

The implication seemed to be that at a time when most other companies had to put up with reduced margins, it was wrong that one particular industry, especially one providing what is now almost a basic service, should be doing relatively less well.

Not only is the logic difficult

## Efficiency

Situations do sometimes occur where a company, having effectively routed its competition, is in a position to set for itself, and achieve, rather high rates of return. One such case examined by the Monopolies Commission was that of Kellogg in the breakfast cereal market. In this case the Commission judged that the company's rate of return, which had averaged 46 per cent in the 1967-71 period, was excessive, even though it had been achieved largely by its own efficiency and not by exploiting the consumer.

Whether the Commission's judgment was right is debatable (there is a well-known U.S. antitrust dictum which says, in effect, that a businessman, having been urged to compete, must not be turned upon if he wins), but there was no disputing the fact that Kellogg did enjoy considerable market power and that its profits had been unusually high. The TV rental business, on the other hand, appears to be genuinely competitive. The Price Commission was unable to find any evidence of price leadership and noted the large number of new entrants that had come into the industry over the past decade: "price cutting," said the report, "is a weapon frequently used by the emergent companies."

The conclusion one has to draw from the Price Commission's report and the reaction to it is that, at least under the present Government (and it is not certain that a Tory administration would be less susceptible to vote-winning gimmicks of this sort), any company which serves the consumer directly will be under continuous pressure to depress its profits. In the end the only victim of such a policy will be the consumer.

RACING

BY DOMINIC WIGAN

## Mercer chooses Folkestone

JOE MERCER rarely rides at Folkestone, and it seems significant that the popular Newbury-based jockey, who is highly selective in making his riding engagements, has decided to make the trip there to-day.

Believed to be the main reason for his visit may be Mr. Peter Cooper's twice-raced juvenile, *Friendly Goddess*, among the runners for the Ashford Maiden Fillies' Stakes. This range half-sister by Green God to that top-class sprinter of 1974 and 1975, *Bay Express*, has run with notable promise on both her appearances at the track, finishing second of 19 to Right of Light at Salisbury last time out.

There the badly drawn *Friendly Goddess* was well in command on the stand rails in the final furlong but found the winner on the favoured far side of the downhill course always going too well for her.

Friendly Goddess, a strong, still backward filly, will have derived considerably more benefit from that race and I shall be disappointed if she cannot make it a third time lucky. Persistent Miss Cards at Yarmouth on her only previous appearance, may follow the selection home.

A second likely winner for Mercer, whose Newmarket mounts later this week include Boldboy in the Challenge Stakes, Sky Ship in the Dewhurst and Relkino in the Champion, is *Drama County* who goes for her fourth start in the Handicap. Lady Zia Werber's Sing Sing filly has been showing improved form of late, and with a 17 lb pull in the weights with Mr. Forde she should gain her third success of the season.

Michael Jarvis has done particularly well to keep Miss Diver, whose form figures read 3, 2, 2,

3, 2, 2, 2, 2, 2, in such consistent form throughout the season, and Mr. David Robinson's Deep Diver filly is sure to return to a warm reception if she can land the Northam Nursery. This I think she will do, although the concession of 10 lb to the speedy, The Triplets, could prove just beyond her.

At today's other Flat meeting, Haydock, I do not intend opposing Region, an impressive Ayr winner last time out in the Maple Nursery. Enchanted looks good for the Walnut Stakes half an hour later.

**FOLKESTONE**  
1.45—Baby Blair  
2.45—Dream County\*  
3.15—Miss Diver  
3.45—Sir Pelles  
4.15—Friendly Goddess\*\*\*  
**HAYDOCK**  
2.45—Apostrophe  
3.15—Region  
3.45—Enchanted

SALEROOM

BY ANTONY THORNCROFT

## Prices soar for tribal figures

AN EXTRAORDINARY high price of £28,000 to which must be added a 10 per cent buyer's premium, was paid at Christie's yesterday for a West African tribal figure, a northern Fang wooden male reliquary, expected to sell for about £10,000.

The figure was bought by the New York dealer Morton Simpson. It is just under 22 inches high, and was bought by the artist Blair Hughes Stanton at a London auction in the 1920s, when he probably paid a few pounds for it.

A more recent example of the growing interest (and prices) in tribal art was provided in the form of a horn-shaped mask in the shape of an eagle which derives from the north-west coast of North America. It was bought for £50 less than a year ago in a local sale, but sold for £3,800 yesterday, also to Morton Simpson.

These were the top prices in a successful auction of Tribal Art which realised £54,811. A wooden mask from the Pacific island of New Ireland went for £1,400; a Cameroonian wood figure of a mother and child, also from the Hughes Stanton collection, fetched £1,000; and an 18th-century Benin bronze bell sold for £800. A Maori walking stick made the same price.

Also at Christie's was a sale of English drawings and watercolours which totalled £32,847. An Arthur Rackham drawing of a Little Red Riding Hood and the

Wolf was bought by Quaritch for £1,100, and another Rackham, showing the old Dover goblin and the seventh daughter made £550 to Sawyer.

There was a very good auction at Sotheby's of armour and fire-arms, which totalled £156,491. London dealer Michael Gorman, paid £9,800 for a pair of German wheel-lock holster pistols, signed M. Weschling and made at Augsburg in 1675. A pair of modern sporting guns by Boss fetched £5,700, and another from Boss £3,000.

Of more interest was the £4,200 from Rickett's for a Milanesa tilt helmet for foot combat, made in the last quarter of the 16th century. It more than doubled its forecast. Some mid-16th century armour from Augsburg, in the hammer of Ulrich Holzmann went for £3,600 and an Italian swept-hilt rapier in a very good condition, considering it is late 16th century, sold for the same price.

In two other Sotheby sales Chinese works of art totalled £38,552, while the second day of a book sale contributed £13,380. B. Ball giving £1,250 for a collection of plates after Dürer, Holbein, Raphael and many others, fetched £1,000; and a Bartolozzi making £250. At Phillips, an enormous George III mahogany breakfast library bookcase sold to Morse for £3,200, and a similar one to Pott for £3,000 in a furniture sale which made £48,607, while a 19th-century rosewood circular

breakfast table fetched £1,300 and eight Regency simulated rosewood dining chairs the same.



This northern Fang reliquary figure made £28,000 at Christie's yesterday.

GARDENS TO-DAY

## Cash crops and help with the digging

BY ROBIN LANE FOX

PRESSED BY LETTERS from readers whose gardens are too large, I must revert to my recent theme of coping with too much space. Perhaps more gardens are seeing too big after the financial upheavals of the past few days. Sit tight, keep your heads, do not run away the garden, but see if you cannot be smarter than the current of the times. Fall before you despair.

Can you make a small income out of, say, an extra half an acre, enough at least to go towards a helper with the part you keep for pleasure? I embark on this subject cautiously, because so much depends on the weather, which I cannot predict, and the will, which only you can measure. But examples come my way, and you often write to point out a success. It is worth passing on these experiences, in case they appeal to you.

## Luxuries

Globe artichokes, white Jasmine, eucalyptus, yew hedging, and yuccas: I am assured by readers that they have made a profit on these crops in a small way. Nobody has yet claimed to match the track record of the East Anglian person who swapped his dog-collar for the old rectory greenhouse a few years ago, stocked them with African violets and new enjoys a turnover far about the six-figure mark which he topped within three years. Not even a grain of mustard seeds grows as fast as that.

The crops I mention have one point in common: they can be sold as luxuries and allow a huge mark-up. As long as fashion favours them, they are priced far above the cost and risk of growing them. But like other fashions for a minority, they are a small market, open to a small grower who can strike a bargain with a local florist or greengrocer. The globe artichoke raised from stock of a named, edible variety, will bear a heavy crop of its flower buds for any gardener who lines it out in a warm, light soil. A cold winter in a cold garden can trouble it; otherwise, its thick roots block out weeds and it increases rapidly. You know the price of one boiled flower-bud in a restaurant. Allow 20 buds or more per plant, and you can see how rows of artichokes can bring in the money during their season, if you agree terms with your local retailers. Such, at least, is the experience of a Hampshire

reader, who grows them round to a training over wires in an area of young yew-hedging. The yews are his mainstay; the artichokes are an easy extra.

Such is the price for yew hedging at a height of 2½ feet (up to £300 for 100 plants in this year's quality catalogues) and such is the scarcity (restorers and maintainers of historic gardens are always short of it) that you might be tempted, too, to grow on small plants until they reach the sort of size which a nursery considers uneconomical. They have to be prepared for transplanting; they grow more freely if they are "watered heavily." The more upright *Taxus Media Hickes* grows more quickly and does not make an unsatisfactory hedge. The classic English Yew is perhaps more desirable, but it has to be given a good soil, and enough water if it is to grow the six inches per year which is judged to be good progress. But small gardens have earned their upkeep by growing on yews; the casual labour which is required for weeding and pleasing the crop can be used, too, on the rest of the area.

I have not yet tried this myself, but the same readers who claim it is quite possible.

White Jasmine is a necessary part of any scented garden, but the recent fashion for Jasmine in florists' pots has certainly opened a small opportunity for gardeners with a large green-house, inherited from days of a father's garden. *Polyanthus* is all the rage when trained over hoops of green wire in smart London florists; its shape is so elegant, its scent so irresistible. The prices are high, yet this is the quickest and easiest of climbing plants.

It can be raised simply from its own cuttings. Although it may survive on a warm south wall, outdoors, it could only be grown profitably under glass which is warmed to keep out frost. It has to be trained over a semicircle of wire to suit the city-dwellers' taste. Sometimes, and nobody is able to say why, a batch will be reluctant to flower. If you only take cuttings of stock which are known to bear flowers freely, you will probably not be troubled by this. Of course you must be able to market the pot-plants which you can quickly mass. But this Jasmine sells well and a grand florist ought to be interested. It could be worth trying other half-hardy plants as trained examples for a florist's occasional market.

The round front leaves of the grey *Helleborus* *Exoniensis* lend themselves particularly well

to a training over wires in an area of young yew-hedging. The yews are his mainstay; the artichokes are an easy extra.

Eucalyptus, of course, sold as a foliage-plant in or cut as greenery for arrangements. In most areas, needs a cold greenhouse, has the merit of growing cheaply from cuttings. Arrangers like the young shaped leaves, so you can see them early. But the West Country family will tell me of an excessive garden which they have down to Eucalyptus, agree sell it after three years matchwood, while the thick hope can be used as eucalyptus oil. Their saw large, but the recent winters have convinced that this crop, strictly for gardeners only, could be made by more small-holders. I from send their cuttings costs next to nothing.

## Yuccas

As for Yucca, the tale is much the same as for yew hedging. Encouraged by architectural or the impatient owners of town gardens will buy examples of a plant as they have seen in a Yucca for prices which reflect the many years of growth. There are no to these splendid plants, although their roots are bold.

You can plant them in poor soil and merely wait time enlarges them to the size of gain. Potted up they good £15 worth, at least, an eye.

Two Midlands readers struck by the fact that large Yuccas in gardens were imported, quite near finding a minority fashion have met it bandstand. remark that the Yucca has them that margins on a crop of tomatoes are still the big professional. I promise you a profit from few ideas with which have succeeded. But if you troubled by the cost of garden, please remember the varied and instant task our age have rendered market gardening beyond usual crops of runner beans, strawberries. Maybe the fast of the decade will begin the problems of your own plot.

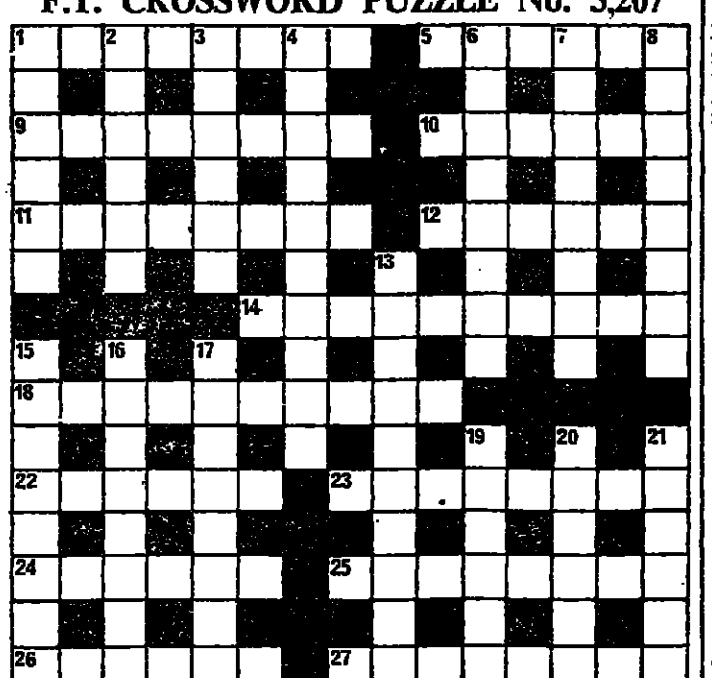
## TV Radio

BBC 1

† Indicates programme in black and white.  
7.03 a.m. Open University (UHF only). 9.15 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools and Colleges. 12.45 p.m. News. 1.00 Pebble Mill including Cottage Cooking. 1.45 Fingerbobs. 2.01 For Schools, Colleges. 2.35 Regional News (except London). 3.55 Play School. 4.30 The Wombles. 4.35 Jackanory. 4.40 Speed Buggy. 5.00 John Craven's Newsround. 5.10 Striker. 5.35 Noah and Nelly in Skylark. 5.40 News. 5.55 Nationwide.

16.40 "Carry On Cabby," starring Sydney James, Hattie Jacques and Kenneth Connor. 8.10 Softly, Softly: Task Force. 9.00 News. 9.25 The Fall and Rise of Reginald Perrin. 9.55 Sportsnight. 10.45 To-night including News Headlines. 11.25 Weather/Regional News. All regions as BBC 1 except at the following times: Wales—8.05 p.m. Tybied. 5.55 Wales To-day. 6.40 Heddiw. 7.10 Pea Ee Denwyn. 7.40-8.10 With a Little Help. 11.25 News and Weather for Wales.

F.T. CROSSWORD PUZZLE No. 3,207



1 A chap once must follow to a degree in Canada (8)  
2 The sailor, having a date, remains (6)  
3 Debt in the football team? That's false (5)  
4 With a leap the vet goes after the dog (6)  
5 The Muses' fountain makes the commander nimble, we hear (8)  
6 Religion gives us advice in this way (6)  
7 Record on canvas results in dissatisfaction (10)  
8 Where there is room at the top, as the Athenians wrote (2, 3, 5)  
9 Daisy was told she would look sweet on it (6)  
10 In school class is the criterion (8)  
11 Novice that is after a castle (6)  
12 Stuff that makes a paper perish (8)  
13 A seat to decide on (8)  
14 Preliminary sketches of obscure photographs (4, 6)  
15 "I have marked a thousand appointments" (Much Ado) (8)  
16 An animal gets round an outlier in Holland (8)  
17 Adam's son includes a strong-held to display (3, 5)  
18 "No err. not knowing the" (NT) (10)  
19 Portrays old Britons about the river (8)  
20 Connection in drink can make you prominent (5, 3)  
21 Engineer is to face what is curative (8)  
22 A Frenchman on the Market may be partial (6)  
23 There is forgiveness for a partner getting on (6)  
24 There is a notice in this place to be loyal (6)  
25 SOLUTION TO PUZZLE No. 3,206  
26 RUNDOWN MEYFAIR  
27 EIGHT VENTILATE  
28 O H E E L T R  
29 V M T R E  
30 EXACT INSTALLED  
31 FREEMASON CUSTO  
32 LIDGE WHEEDLING  
33 M I R O L E T I  
34 SIGNATURE RAUNA  
35 ONE IN SEEDS  
36 TOPSEED SEPIENT

LONDON

9.20 a.m. Schools Programmes. 12.00 Here Comes Mum. 12.10 p.m. Pippins. 12.30 Mr. and Mrs. 1.00 News and weather plus FT index. 1.20 Lunchtime Today. 1.30 Crown Court. 1.40 Good Afternoon. 1.55 The Saint. 2.00 About Britain. 3.50 Emeraldale Farm. 4.30 The Sooty Show. 4.45 Rogue's Rock. 5.15 London Scene. 5.30 Sportsweek. 5.45 News. 6.00 To-day. 6.35 Crossroads. 7.00 Don't Ask Me. 7.30 Coronation Street. 8.00 The Benny Hill Show. 8.30 Saturday's Heroes. 9.00 News. 10.30 The Wednesday Special: International Soccer. 11.35 World Story. 12.05 a.m. Police Story. 1.00 Close: Vivienne Ross reads a poem by Gerald Manley Hopkins.

All ITV regions as London except at the following times:

**ANGLIA**  
10.51 a.m. Survival. 1.20 a.m. Anglia News. 2.00 Houseparty. 2.25 Marcus Welby M.D. 3.15 Nanny and the Professor. 4.00 About Anglia. 4.15 a.m. Police Story. 12.30 The Big Question.

**ATV MIDLANDS**  
1.20 a.m. ATV Newsweek. 2.25 Marcus Welby M.D. 3.15 Chilling Today. 11.35 Chilling Today.

**BORDER**  
11.20 a.m. Border News. 2.00 Houseparty. 2.25 Marcus Welby M.D. 3.15 Chilling Today. 11.35 Chilling Today.

**CHANNEL**  
11.20 a.m. Channel News and Weather. 1.20 a.m. Channel News and Weather. 1.20 a.m. Channel News and Weather. 1.20 a.m. Channel News and Weather.

**GRAMPIAN**  
1.20 a.m. Grampian News Headlines. 2.25 National Film Board of Canada. 4.45 "Fanny" and "Sally". 5.00 News. 5.15 Scotland. 5.30 News. 5.45 News. 5.55 News. 6.00 News.

**RADIO 1**  
6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 8.00 Top Gear. 8.10 News. 8.20 David Hamilton (S). 8.30 News. 8.40 News. 8.50 News. 9.00 News. 9.10 News. 9.20 News. 9.30 News. 9.40 News. 9.50 News. 10.00 News. 10.10 News. 10.20 News. 10.30 News. 10.40 News. 10.50 News. 11.00 News. 11.10 News. 11.20 News. 11.30 News. 11.40 News. 11.50 News. 12.00 News. 12.10 News. 12.20 News. 12.30 News. 12.40 News. 12.50 News. 1.00 News. 1.10 News. 1.20 News. 1.30 News. 1.40 News. 1.50 News. 2.00 News. 2.10 News. 2.20 News. 2.30 News. 2.40 News. 2.50 News. 3.00 News. 3.10 News. 3.20 News. 3.30 News. 3.40 News. 3.50 News. 4.00 News. 4.10 News. 4.20 News. 4.30 News. 4.40 News. 4.50 News. 5.00 News. 5.10 News. 5.20 News. 5.30 News. 5.40 News. 5.50 News. 6.00 News. 6.10 News. 6.20 News. 6.30 News. 6.40 News. 6.50 News. 7.00 News. 7.10 News. 7.20 News. 7.30 News. 7.40 News. 7.50 News. 8.00 News. 8.10 News. 8.20 News. 8.30 News. 8.40 News. 8.50 News. 9.00 News. 9.10 News. 9.20 News. 9.30 News. 9.40 News. 9.50 News. 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gians went to the polls in elections at the weekend their two cultures in mind

## A federal state may be closer

BY DAVID CUNY

AS a state bet that the end's low in the world sharpen the division between the speaking region of the conservative hold Catholic and some Flemers who not seriously threatened, while of recession over-structural economic ardness seemed likely to than the Socialist hold on.

The result is that some of the communists are strongly French-speaking in population, but Flemish in administration. In two of them, French Nationalist sisters advanced in the elections, rein- siders their claim to be considered part of the Brussels region.

It is clear enough that any federal system will give autonomy to Wallonia and Flanders in its but areas like defence, foreign policy and national finance. The problem in Brussels. The Flemish parties have made it clear that they will not tolerate Brussels receiving equal status with the other two regions and thus being the (French-language) arbiter of Belgium. They wish to combine Brussels to its existing 19 communes under some sort of federal supervision, leaving only two genuinely self-governing regions.

The central doctrine of the FDF is precisely that Brussels must become a fully autonomous equal partner with the other regions. The Flemish Nationalist Party owes its strength to Flemish resentment at the dominance by French interests in Brussels. The FDF conversely draws its strength from French reaction to Flemish pressure to promote Flemish interests and status in Brussels.

Before these elections, the fate of Brussels was likely to be decided by the main traditional political parties. Now Brussels has a militant voice of its own, directly opposed to the essential Flemish pre-condition for a settlement of the issue of federalism.

Objectively, it is possible to see the outlines of a compromise. Brussels could be accorded full regional status but restricted to its present size. Alternatively, it could absorb some of the peripheral communes which have large French-speaking populations, but be deprived of fully autonomous status. But this would involve both sides swallowing pledges they have paraded before their constituents, and it is difficult to see how the proposed community dialogue on federalism, to take place hopefully towards the end of the month, will produce much more than firm statements of opposing attitudes.

though local issues yed an important t in municipal tions, the fact that ing is compulsory ans that the result not be dismissed.

ed home comfortably in terms of popular while the Flemish Nationalist Party, the Volksunie, aged static. In Wallonia, it was more dramatic. The ch Nationalist Party, the emblem Wallon, suffered a crushing defeat at the hands of the Socialists. Its 25.7 per vote at the 1974 parliamen- elections shrank to 13.5 per in Liege, in Charleroi it ed 7 per cent to 19.4 per and at Mons it lost more 10 per cent, down to 5 per cent. In each case, the Socialists ed the damage, though the rative Social Christians credible gains.

if Flanders and Wallonia as expected and provided eck to the advance of nate parties in Brussels opposite occurred. There, French Nationalist Party, the Democratique des Franco- es, swept to absolute majori- in five of the 19 communes, ne the second biggest party where else, it chalked up ranging from a modest cent to 18 per cent. Enter- voted 56 per cent. FDF, erbeek 52 per cent. Woluwe ierre 49 per cent. Woluwe ambert 43 per cent, and rghem 43 per cent.

the main victims were the dists, while the Liberals also red damaging losses. In sels, as in Wallonia. The sels result will have a al bearing on the attempt rk out a federal system in- um. Officially the 19 com- of the capital, are equal, although the popula- is 80 per cent. French- ing.

dition, six communes on periphery provide facilities French-speaking residents. ally heavily Flemish in a coherent and orthodox politi- aster, they would move, it cal party to survive being predicted, to a bilingual deprived of its essential Brus- sm as the French-speaking sels issue. The main Conserva- tion built up. This plan abandoned at Flemish insist- in the interests of protect- the Flemish northland from untidiest bit of Belgian politics, stain of French contamina- up through the FDF.

The main Conservative and Socialist parties have proved that they are masters in their own fiefs. Now the untidiest bit of Belgian politics, Brussels, may be cleared up through the FDF.

## Norway oil estimate down

BY FAY GJESTER

OSLO, Oct. 12.

NUM annual output of oil gas from Norway's conti- nental shelf, expected around will be less than previously mated. Annual output, both re and after the peak year, also be smaller than pre- sely believed.

his is the verdict of both the

State Oil Directorate and the licenseholders involved, although the latter's revised estimates are more optimistic than the latest set of figures prepared by the Directorate.

The Directorate's revised estimates, submitted recently to the Ministry of Industry, are as follows (previous estimates in brackets): 1980-55m. tonnes of oil equivalents (65m. tonnes); 1985-58m. (75m.); 1990-44m. (over 60m.). Licensees' estimates for these years are: 1980-65m. tonnes; 1985-about 70m.; 1990-about 66m.

Both the Directorate and the licensees expect that peak output will be reached around 1987, but the Directorate thinks it will not exceed 68m. tonnes, while the licensees' forecast is about 73m.

## Zagreb sale for Taylor

Taylor Instrument Companies (Europe) of Stevenage, have won two orders from INA-Nafta-plin, which together are valued at approximately £750,000. The orders are to supply electronic and pneumatic analogue instrumentation, control panels, and commissioning services for a new petrochemical project near Zagreb in northern Yugoslavia.

## TURKEY AND THE EEC

# The end of a special affair

BY METIN MUNIR IN ANKARA

TURKEY'S relations with the Common Market are under- going a fundamental deteriora- tion which, a growing number of senior Turkish officials and politicians believe, may lead to the freeing of the existing association between them. Next Saturday, the Turkey-EEC Association Council, the partnership summit which brings together the Foreign Ministers of Turkey and the Nine meets in Istanbul to heat the rift. But neither Turkish nor EEC officials expect the least improvement in the situation. And it is not surprising that the Turkish Prime Minister, Mr. Suleyman Demirel, waited until the last moment before giving the go-ahead for the meeting and chose Istanbul, away from the confusion of Ankara, as the host city.

The problem started in 1973 when Turkey completed a 10-year preparatory period and entered the transition period which, in theory, should end in 22 years' time with Turkey's integration into the Community as a full member.

The beginning of the transi- tional phase obliged both the Community and Turkey to implement measures which would allow the transition to a period of 10 years starting on January 1 next, was even more negative for the Turks. The Nine were prepared to make a declara- tion of good will, but not to undertake any firm commitments. The Turks, taking their stand on

the agreement, insisted on some form of firm commitment.

The EEC abolished tariffs on Turkish industrial exports in 1971 with several important ex- ceptions, including petroleum products and some textiles. Here too Turkey argues that since similar concessions have been granted to her competitors, the value of free entry into the EEC markets for Turkish industrial products is diminished.

Compromises will be difficult to find because both issues are very important to both sides. The Community, particularly Italy, wants to protect its farmers from cheaper Turkish products and is not willing to lower barriers. Things are no easier in the case of migrant Turkish workers, of whom there are already 621,000 in the Common Market.

The EEC is by far Turkey's largest trading partner. In 1973-75 the Community took an average of 45 per cent. of Turkish exports. The proportion is almost exactly the same for imports. In recent years Turkey has run a substantial deficit with the Community, rising from \$612m. in 1973 to \$1.2bn. last year. Although the share of industrial goods in Turkish exports increased considerably from 1970 onwards, reaching about 36 per cent. in 1975, Turkey continues to rely mainly on agricultural exports.

Both the deficit, which will widen further this year, and the importance of agricultural exports, explain why Turkey is

so insistent on concessions. A Turkish official maintained that if agricultural concessions were granted Turkey could sell as much as an extra \$150m. in the first year.

The question of migrant workers, too, is very important for Ankara. The number of unemployed has reached 2.5m, according to official figures, and is probably higher. Moreover, expatriate workers' remittances, which amounted to \$1.36bn. last year, constitute Turkey's biggest single source of hard cash.

Last summer the Nine presented Ankara with a package on these and other matters. Mr. Demirel rejected it as totally inadequate. Haggling still continues in Brussels, but both EEC and Turkish officials in Ankara state that they see no hope of reaching a compromise.

The actual problem is a loss of faith on both sides in their association. In the early 1960s Turkey, together with Greece, enjoyed an exclusive status as an associate with the ultimate goal of membership. Since then the Community has developed its ties and commitments with the Third World and has become the largest trading bloc in the world. Thus, although EEC officials argue to the contrary, Turkey is no longer in a "special" relationship with the Community. In its recent package Brussels proposed to water down the association agreement, and to establish a new balance which would be less binding on both sides. In effect,

according to Turkish officials, Brussels was telling Turkey to look elsewhere for concessions.

The Turks argue that they have fulfilled all their commitments and that the Community is trying to get out of its commitments. They say that their interests are being subordinated to those of the third countries and, even more irksome, to those of Greece which has applied for full membership. They maintain that the association has become un- balanced and unprofitable for Turkey.

There is some truth in these arguments although the Turks must be blamed for not having put their case properly: they have no proper lobby in Brussels. Their negotiating tactics have been poor, and their civil service has been inadequate in its deal- ings with the EEC.

The irony of the situation is that by following a hard line, Brussels is pulling out the carpet from under Mr. Demirel, the chief champion of the Turkey-EEC association. Two of his three coalition partners, including the powerful Mr. Necmettin Erbakan of the Islamic National Salva- tion Party, are in favour of severing the present association link. To add to the irony, they are supported by the extreme Left and a fair portion of big business which is scared of EEC competition. The main opposi- tion leader, Mr. Bulent Ecevit of the Republican People's Party, is not happy with the EEC but is mined



Mr. Suleyman Demirel

for repairing rather than repeal- ing the partnership.

The likeliest outcome is that both sides will stick to their guns and that Turkey will freeze its association without actually annulling it. Since neither side is willing to compromise the associ- ation would fall into a state of limbo, with Turkey refusing to carry out its EEC obligations such as lowering tariff barriers on the scheduled dates. The dam- age that this would do to Turkish relations with the West is obvious. If in the meantime the U.S. Congress rejects the new defence agreement, which the Secretary of State, Dr. Henry Kissinger concluded with Ankara, the damage will reach alarming proportions as both the funda- mental defence and economic relations between Turkey and the West would have been under-



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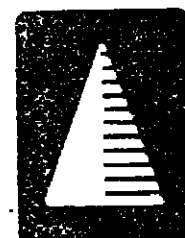
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## AMERICAN NEWS

## Canadian jobless rate up

Canada's unemployed totalled a seasonally adjusted 750,000 in September or 7.3 per cent of the work force, up slightly from 750,000 in August or 7.2 per cent, of the work force, according to Statistics Canada, AP-DJ reports from Ottawa.

It was the eighth consecutive month that the seasonally adjusted unemployed total has exceeded 700,000 and it was the sixth consecutive month that the unemployment rate has been at or above 7 per cent. In September 1975 the unemployment rate was 7 per cent.

## Differing views

Treasury Secretary William Simon said yesterday that the U.S. economy is in a "pause" which should not cause concern because the overall economic recovery is still on track. UPI reports from Washington, however, Mr. Charles Schultz, an economist from the Brookings Institute and an adviser to Jimmy Carter, said that a reduction in federal government spending this year has hurt the recovery. The two men discussed the economy in a television interview.

## Peru devalues

Peru again devalued its currency yesterday in the sixth mini-devaluation in three weeks, AP-DJ reports from Lima. The sol is now pegged at 66.02 sols to the dollar, compared with the previous rate of 65.86.

## Prime rate held

First National Bank of Chicago has said that it is maintaining its prime rate at 6 1/2 per cent, this week, Reuter reports.

## Sovereignty claim

Colombian President Alfonso Lopez Michelson has sought the support of King Juan Carlos of Spain for local claims to sovereignty over British and American administered parts of Latin America, Reuter reports from Cartagena. Welcoming the King and Queen Sofia, President Lopez said: "We want Gibraltar to continue to belong to Spain but Spain should help us claim sovereignty over the Malvinas (Falkland) Islands, Belize and the Panama Canal."

## Ford recants remark on East Europe domination

BY JUREK MARTIN, U.S. EDITOR

PRESIDENT FORD today completely recanted his statement in last week's televised debate with Mr. Jimmy Carter that countries of Eastern Europe did not live under the domination of the Soviet Union.

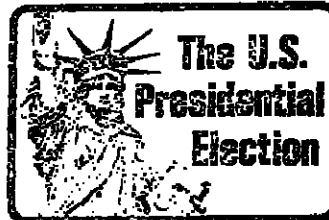
In a meeting at the White House this morning with leaders of American ethnic groups, the President confessed that he had made a mistake. "I did not express myself clearly," he said, clearly deciding that it was better at this late stage of the election campaign to make such an embarrassing admission rather than to hold on to what had become an increasingly untenable position.

In a statement read out to the ethnic leaders, Mr. Ford said, completely reversing himself, that "the countries of Eastern Europe are, of course, dominated by the Soviet Union. Were it not for the presence of more than 30 Russian divisions there now, the countries of Eastern Europe would long have achieved their freedom."

He repeated his contention that the U.S. does not and will not acquiesce to this state of affairs and predicted that "someday they will be free."

He then devoted a good part of his statement to criticisms of

Mr. Carter's leadership qualities in an obvious attempt to try and tip the adverse balance of the affair in his favour. However, it is unlikely that the Democrats will allow the President to get away with what is known here as a "flip-flop," when the Republicans have accused Mr. Carter of so many "flip-flops" in the course of the campaign.



Nonetheless Mr. Ford's attempt to re-focus national attention on Mr. Carter, rather than on his own mistakes which have set him back sharply in the last few days, is part of a concerted drive by the White House to be more "aggressive" in the remainder of the campaign.

Last night, senior Ford aides summoned journalists to a briefing at which Mr. Carter was variously described as "mean," "nasty," "impertinent" and

"out of bounds." They took particular exception to what they saw as Mr. Carter's contemptuous attitude displayed towards the President in last week's debate and to his subsequent allegation that Mr. Ford had been "brainwashed" in the course of his visit to Poland last year.

However "meanness" would appear to be something of a two-way street. Mr. Carter spent a good deal of his time yesterday denying that he had had extra-marital affairs while a politician in Georgia. According to Mr. Jack Anderson, the muckraking columnist, these rumours were directly traceable to officials in the Ford campaign and were without a thread of foundation.

Mr. William Greener, a Ford election committee spokesman, said that he would sack anybody found spreading such stories but denied they had emanated from his organisation.

It is, of course, a sad commentary on the progress of this political season that trivia of this sort have come to dominate it. The process appeared to start last month with the furor over the Carter interview with Playboy Magazine (which Republicans were not slow to exploit) and shows no signs of abating at present.

## Mutual fund move into municipal bonds

BY JAY PALMER

NEW YORK, Oct. 12.

U.S. MUTUAL funds, exploiting a provision of the new tax code, are now preparing to move into the municipal bond market to offer tax-free income trusts to ordinary investors. Up to now, Internal Revenue Service regulations and the high price of most municipal bonds have effectively limited these shelters to the rich.

Most estimates now suggest that some 25 to 30 U.S. funds are planning to move into this new area, adding eventually anything up to \$10bn. to the pool of money from which financially pressed cities and towns can

borrow. The inflow of all this new money will almost certainly cut interest rates in this market and lower cities' borrowing costs. At the same time, the mutual funds industry as a whole is likely to become the major force in the \$30bn.-a-year new issue municipal bond market.

If the mutual fund industry is to achieve this \$10bn. municipal fund target, it is likely to take some years. However, that said, any new growth area must prove attractive at a time when steadily increasing net redemptions of

ordinary funds has cut total net assets under management from \$33bn. to about \$45bn. over four years.

Before the latest tax changes, mutual funds were only able to offer participation in tax-exempt municipal bonds through two gimmicks, neither of which proved very popular. The first option involved "unit investment trusts" — stagnant, self-liquidating and non-tradable portfolios.

Alternatively, investors could become limited partners in a specific fund open to a potential liability exposure.

## U.S. Steel to spend \$600m on clean-up

By Stewart Fleming

NEW YORK, Oct. 12.

IN AN agreement which may break new ground in forcing U.S. heavy industry to reduce further atmospheric pollution, U.S. Steel has agreed to spend \$600m. to clean up its huge Clairton coke works near Pittsburgh.

U.S. Steel is the largest company in an industry which is seen in environmental circles as the last bastion of resistance to public and political pressure for pollution controls.

Last year U.S. Steel spent \$114m. about 14 per cent. of total capital outlay, on pollution abatement facilities. It has nevertheless been engaged in a continuing confrontation with environmental agencies, who see steel as one of the dirtiest industries.

Earlier this year Mr. Edgar Speer, chairman of U.S. Steel, attacked people who have been trying to force the company to spend more on pollution controls as "those nuts down in Washington." The U.S. Government's environmental protection agency, however, has alleged that 17 of U.S. Steel's 20 major facilities still have "substantial" pollution problems.

Mr. John Quarles, an executive with the Environmental Protection Agency, charged that U.S. Steel had "a record of environmental recalcitrance second to none." Even as U.S. Steel agreed yesterday to the tentative pact on environmental control, company spokesmen at Clairton were pointing out that the capital outlays were non-productive and would adversely affect employment opportunities.

One of the steel company's concerns in fighting pollution control orders through the courts has been that by acceding to pressure in one area it will encourage municipalities in other parts of the country to put pressure on the company

## U.S. IMMIGRANTS

## The furtive wetback

BY CAROLINE HYDE

IN AMARILLO, Texas, officers of the Immigration and Naturalization Service (INS) recently broke into an office which was counselling aliens legally or illegally in the U.S. and removed the records. As a result several people were deported and a Federal indictment has been brought against the counsellors, "coyotes." They may rely on the U.S. Courts have become known as "coyotes" killing the illegal alien in the U.S. and approach the President of the United States of America. The President of the United States of America, with a large proportion of members of Mexican origin, did a great deal of work to expose the "coyotes."

More British visitors enter the U.S. as tourists and stay on illegally than any other Europeans.

to pay his wages, false deductions, excessive work hours, and blackmail.

Until two years ago it was extremely easy for an illegal immigrant to obtain a social security card, which is essential to get a job, to join a trade union, receive welfare, medicare, and social services, or to send his children to school. He would not have been asked for proof of residence or citizenship.

Now procedures have been tightened up. Besides the proposed legislation before Congress dealing mainly with the problem of illegal immigration, the best known proposal is sponsored by Mr. Peter Rodino, a Congressman from New Jersey, who proposes to fine any employer \$1,000 if, after a series of warnings, he "knowingly" hires an illegal immigrant.

Mr. Mario Biaggi, Congressman from New York, wants to impose six months in prison or the cost of deportation on anyone "knowingly" hiring an illegal immigrant. Both bills were approved by the House, but have not been brought to a vote in the Senate.

Senator Edward Kennedy is pressing for an amnesty for aliens already in the country illegally. Even the strongest advocate of stringent controls is concerned about the possibilities of having to deport millions of people. The Rodino bill contains an amnesty clause for about 250,000 people who have been in the U.S. for three years. That number has been raised to one million. Many of the ethnic communities have recommended to the President that, as a biennial gesture, all illegal

immigrants should be pardoned. The AFL-CIO trade union federation has come out in strong support for proposed legislation that would penalise those who employ illegal immigrants. Other major labour organisations have not taken up a public position. Some unions are afraid that such controls would have a heavy impact on certain racial or cultural groups. Hispanic organisations with strong labour influence are concerned enforcement would lead to racial discrimination.

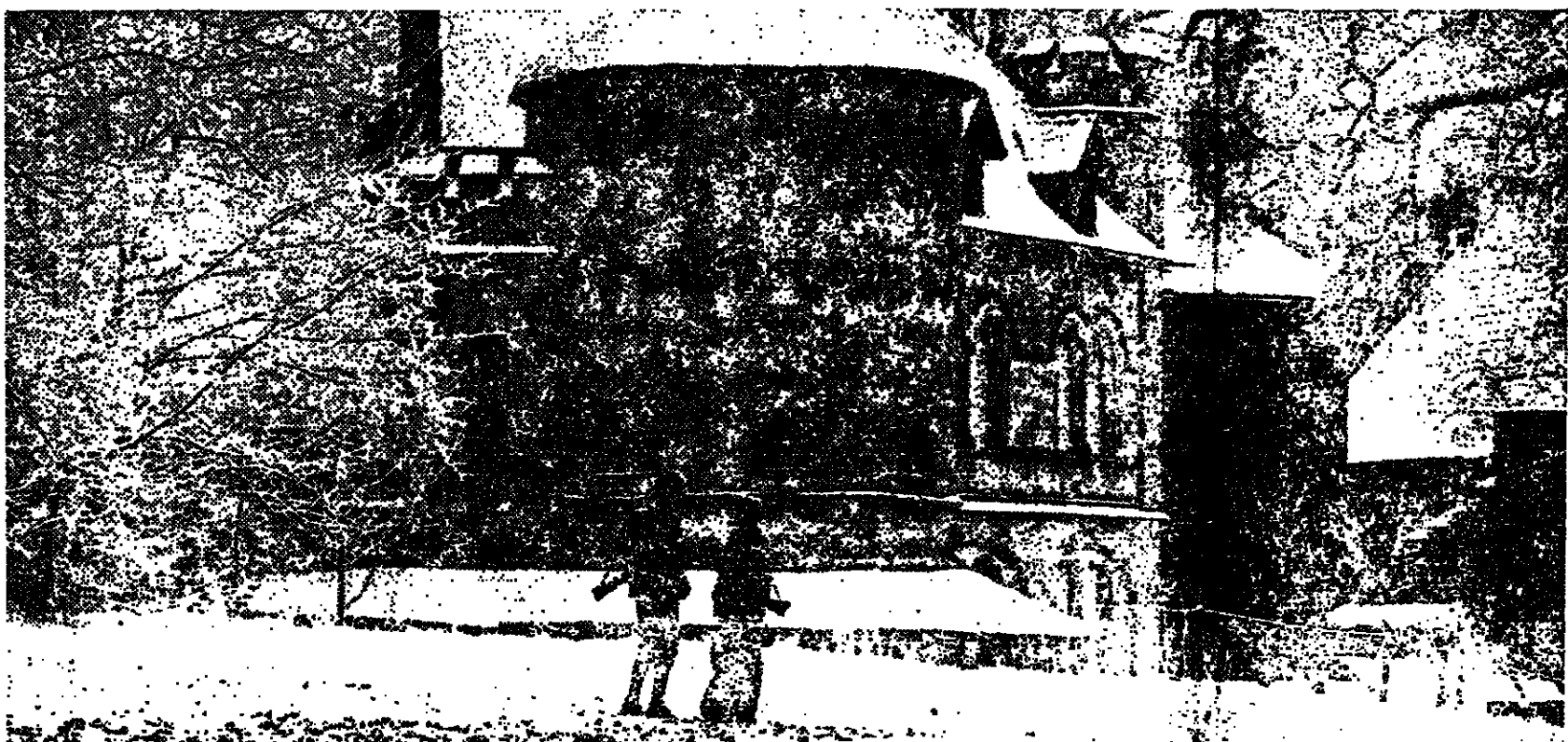
Detecting illegal immigrants presents its own problems. Has been suggested that the immigrants should carry a "photo" with a photograph, resembling a normal U.S. driver's license. But because U.S. citizens do have identity cards that leave the INS police in no position to detect an illegal at short of picking up anyone "foreign." In any case, the service has its own police, and judges, all civil servants.

Some immigrant groups argue that U.S. immigration policy generally has been prejudicial favour of Europeans, and against what the immigration law of western hemisphere persons are in fact all Hispanic. So 85 per cent of all illegal aliens in the U.S. are Hispanic. In 1965, immigration replaced the system of nation quotas which was intended to preserve the existing ethnic composition of the U.S. population by national origins. The established three priorities: unskilled families, attract skills, and refugees. It allows number of persons into country each year from the eastern and western hemispheres in a manner, which seems very balanced at first sight, but in practice favours Europeans. Last year, 498 persons legally entered the U.S. from the eastern hemisphere, over the quota of 170,000, while a maximum of 28,000 for any country. The western hemisphere is allowed 120,000, with a country ceiling. The figure not include persons granted political asylum or refugee status. A tourist from western hemisphere has return home before apply for an immigrant visa, where tourists from the eastern hemisphere who wish to remain in the U.S. apply in the U.S.

While there is widespread satisfaction with the 1965 law among the Hispanic community, the proposed legislation does not tackle the issue of balance between immigrant from the eastern and western hemispheres. It will not get to the roots of the problem, namely, the large number of Hispanics who in practice can get in easily whatever the law says.



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## Plight of U.S. Indians examined

THE LONDON-based Minority Rights Group said in a report published yesterday that however much lip-service is paid to the idea of self-determination among American Indians, there is widespread pessimism about the chances of the U.S. Government suddenly implementing a series of radical and effective reforms.

A 28-page report by the group, labelled "The Original Americans: U.S. Indians," traces the history of how a predominantly decent country dedicated to the highest principles, has disguised the truth that it grew to greatness by dispossessing and very nearly exterminating a number of viable and flourishing human societies.

The Minority Rights Group is an international research and information unit registered in Britain as an educational trust.

In spite of more enlightened legislation, the Indian remains the poorest and most depressed citizen of his own country, the group's report said. It criticised the work of the U.S. Government's Bureau of Indian Affairs (BIA).

"It is clear, that the nature of native life will not be fundamentally changed unless there is a prior change in the BIA," the report said.

"Communications" between different levels and departments are so inefficient and cumbersome that the majority of BIA employees who are genuinely concerned with the Indian's interest are inevitably frustrated. "The minority, who are so negligent or corrupt that they abuse their position to permit the continued despoliation of

Indian lands and resources, seldom be singled out from the bureaucratic machine and held to account."

It is clear, said the report, that if Indian self-sufficiency is to become a reality, substantial appropriations for long-term economic development will have to be made for some years come.

The report said that "strong support organisations" giving the Indians direct access to a wide range of agricultural techniques and other expert advice as well as to plentiful cheap capital would ensure that many groups had at least a reasonable chance of solving a decent material existence in accordance with their own aims and potentials.

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- Sales in the six months were 17% higher than the comparable period in 1975, while profits were 22% higher. Trading conditions in the U.K. particularly on the manufacture of capital plant remain difficult but exports are encouraging. However, unless there is a significant downturn in business in the latter part of 1976, it is expected that the progress achieved in the first part of the year will be maintained during the last six months.
- An interim dividend of 0.44 pence per unit (1975—0.44 pence per unit) has been declared for the year ending 31st December 1976. The Dividend will be paid on 1st December 1976.
- Notice is given to stockholders that in future years the present disparity between the interim and final dividend will be reduced.

## Summary of Interim Results for the year 1976

	Half Year 1976	Half Year 1975	Full Year 1975
Sales	11,972	10,265	20,517
Profit before Tax and Extraordinary Loss	605	495	963
Taxation	330	286	487
Extraordinary Loss	—	40	35
Profit attributable to Stockholders	275	169	441
Earnings per Stock Unit	2.6p	2.2p	4.4p

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# OVERSEAS NEWS

## Syrians launch attack in southern Lebanon

BEIRUT, Oct. 12

**SYRIAN FORCES** stationed at the southern end of the mountain range of Jezzine launched an attack late this morning against Palestinian and Lebanese positions under a heavy barrage of artillery and rocket fire.

Palestinian and Lebanese radio stations here have been broadcasting communiques reporting that the Syrians were using heavy artillery and missiles as a cover for movement by their tanks towards positions controlling the road towards the southern port of Sidon.

The target of the Syrian pounding was reported to be the village of Raou, a small village in the Raou valley, which is only a few miles from the Christian town of Jezzine where Syrian forces and the right-wing Christian militias have been entrenched since last June.

Assad sent 22,000 troops and some 450 tanks into Lebanon. The four villages between the Syrians and Sidon, which is also controlled by the Palestinians and the left-wing Muslim Lebanese Army, commanded by Lt. Ahmed al Khuth, a radio station here controlled by him has been issuing appeals to Lebanese soldiers to report to their posts immediately.

beat off the offensive by the Syrian regime in Damascus.

In the past few days there have been consistent reports of a Syrian military build-up in Jezzine and an offensive had been widely expected. However, the attack came little more than 12 hours after the Syrians and Palestinians were reported to have reached a settlement on the fighting in Lebanon, and that they were to meet again tomorrow to put the last touches to the reported draft accord.

But both right-wing and left-wing radio stations said that Dr. al Khuth's optimism was grossly premature.

Some leaders of the Palestinian-Left alliance, including Abu Iyad, who is the second-in-command in the guerrilla movement, were already suspicious the Syrians were getting ready to mount an offensive in south Lebanon.

In a sweeping military operation at the end of September, Syrian troops drove the Palestinians and their allies out of the Upper Metn area north-east of here. The easy victory scored by the Syrians may have encouraged them to prepare for further action against Palestinian positions elsewhere.

The guerrilla positions in the eastern mountains were not of a great strategic value, but those in the south are. The Palestinians and the Left are in full control of Sidon and Tyre, the two ports which have been the only supply points for the guerrillas. If the commandos are cut off there, they would be squeezed in the besieged Moslem-controlled West Beirut area.

To-day's military action followed yesterday's terrorist attacks against the Syrian embassies in Rome and Islamabad. The Syrian offensive in the Lebanese eastern mountains last month came in wake of the terrorist attack against the Semiramis Hotel in Damascus.

The state-controlled Damascus Radio to-day broadcast a strongly worded statement by a Syrian Government spokesman declaring Damascus' determination to strike at those responsible for the anti-Syrian terrorist operations who, the spokesman said, "serve imperialist designs."

Informed sources believe the Syrians would try to complete their new military operations before the projected Arab summit conference convenes. It is scheduled in Cairo for next Monday.

## CHINA'S NEW LEADERS

## Pragmatic choice

BY COLINA McDUGALL

**VICE-PREMIER** Li Hsien-nien's prominence in Peking in the last couple of days is the most significant public indication yet that China's new party leader Hua Kuo-feng has yet made of his political intentions.

For nearly 30 years, Li has been profoundly involved in the financing, planning and development of China's economy. Hua's choice of Li to handle the visit of the Papua New Guinea Prime Minister is a strong signal that China should move back on to a pragmatic path of development.

countless Chinese. As one of the senior leaders since 1949 he can provide an element of continuity which is seriously lacking otherwise at the top in Peking to-day.

With the late Premier Chou En-lai he must have played an important role in the new economic push that began in the early 1970s, and thus must be involved in the policies of importing foreign equipment to spur on Chinese economic growth.

The trend has certainly been moving in the opposite direction since the campaign against former Vice-Premier Teng Hsiao-ping began after Premier Chou En-lai's death in January. If not before, power seemed to have swung to the radical faction in the Chinese leadership.

The fierce attack on Teng in Press and posters, apparently masterminded by the radicals, culminated in his dismissal in April on the pretext that he had stage-managed the riot in Peking early that month.

Since then economic policy seems to have stagnated, and although it was difficult to point to spheres apart from culture where the radicals were actually changing policy, the effect of stage he would be reassuring to

to freeze any decisions that might be thought controversial. If Vice-Premier Li stays at the top, this trend should now be reversed.

Li survived the Cultural Revolution in reasonably good shape, thanks to protection from Chou En-lai. He avoided the denouement and dismissal that were the lot of former Vice-Premier Teng Hsiao-ping, who reappeared only to fall again in April this year. While his policies may in fact be much the same, his personality appears to be milder. His grasp of domestic politics must be considerable, however, to have enabled him to stay at the top for so long.



LI HSIEN-NIEN  
New prominence.

nearly 50 years ago. He fought long and bitter battles in the revolutionary war in China, spending a period at that halcyon shrine of Maoism, the guerrilla retreat of Yenan. He must number senior army leaders among his friends as a result.

Li has never appeared to be fired with personal ambition, and he would seem unlikely on his own to lead China down any new paths. But there is little doubt that he is a highly professional and experienced man, and if in fact he and Hua Kuo-feng emerge as the two top leaders, Peking seems likely to embark on a period of stability and steady development.

## Critical

While Hua's own appointment as Chairman of the Communist Party in succession to Mao Tse-tung has not yet been formally announced, Chinese officials have again confirmed that he is in fact the chairman and that an official statement to that effect is only awaiting dissemination of the news throughout China.

Li's age—he is 71—is rather against him as a permanent figure at a critical juncture in the country's history. He would be reassuring to

## Overtaken

His star appeared to fade, however, with the rise of the radical faction after 1973. In January 1975 Teng was overtaken by the radical Shanghai leader Chang Chun-chiao who became senior Vice-Premier, moving into the second place in the government hierarchy behind Premier Chou.

Although for many years associated with the moderate wing of the Chinese leadership, Li has excellent revolutionary credentials. A carpenter's apprentice, he joined the Communist Party



Four leaders of the radical group reportedly under arrest: Vice-Premier Chang Chun-chiao; Vice-Chairman Wang Hung-wen; Politburo member Yao Wen-yuan; and Chairman Mao's widow, Chiang Ching.

## Gulf fund rejects Egypt payments-support loan

CAIRO, Oct. 12

**APPLICATION FOR A \$125m.** shortfall in this year's budget of more than \$500m.

In spite of a marginal improvement in Egypt's balance of payments deficit in the first half of 1976 over the equivalent period last year, the balance of payments deficit is running at the equivalent of more than 20 per cent of the estimated 1976 National Product of nearly \$550m.

If this were not worrying enough for economists, next year Egypt will feel the full impact of many separate inflationary factors. Prices will rise with increased tariffs. They will also go up as fewer goods are imported at the official exchange rate.

Decreased spending on subsidies will push up food and commodity prices. The Government is going to raise wages of two and a half million civil servants and 800,000 public sector employees. Most important, the effects of this year's uncontrolled note and treasury bill issues should be felt towards the end of 1977 as the wildly excessive liquidity filters through the said was a foreign exchange economy.

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## Australian capital surplus

CANBERRA, Oct. 12

**AUSTRALIA'S LATEST** balance of payments figures give no hint of a recovery in capital inflow—a factor now regarded as critical in the Government's hopes of staying off a devaluation at some time in the next six months or so.

The September figures show a surplus in terms of net official reserves of \$414m. But the result largely reflected a Eurodollar borrowing of \$1,300m.

There was an apparent net outflow of capital amounting to \$43m. (£21m.) in August. For the first quarter of the financial year there has been an apparent capital outflow of \$418m. (£216m.) which, while markedly

better than the same point of last year when the figure was \$431m. (£217m.), is little comfort in present circumstances.

The trade balance continued in healthy surplus (\$4233m.) in September, and the current account moved into modest surplus (\$417m.) for the first time in five months. But invisibles continued at their very high recent levels (\$4216m.), topping the \$4200m. mark for the sixth consecutive month.

Meanwhile, Australia to-day announced a three-year rolling aid programme for the South Pacific island states, starting with a commitment of \$460m. (£42m.) for the period 1976-1979.

## Israeli Budget attacked

TEL AVIV, Oct. 12

**THE FIRST** draft of the Israeli 1977-78 state Budget, now under consideration, has already come under sharp criticism. The draft envisages a Budget of \$12,120-12,500m. (about £8,500m.) which would represent an increase of over 40 per cent on the budget for the current fiscal year ending next March 31.

One of the outstanding opposition members, Mr. Zalman Shoval, himself a banker, pointed out here that, instead of cutting back public expenditure so as to dampen down the burning inflation,

tion, the draft Budget includes an increase in real terms in public expenditure of 10 per cent. It is acknowledged, even by Government circles, that public expenditure is the main reason for the ever increasing rate of inflation. Nor is there any justification for an expansion of public expenditure on the grounds of unemployment—the Israeli economy is still short of funds, despite the fact that some 60,000 Arabs from the occupied territories are holding jobs in Israel.

## Wethomo asks Geneva conference ferment

SALISBURY, Oct. 12

**SIAM** nationalist leader Thana's Nkomto said to-day there were practical difficulties in holding a Geneva conference on the Siam-Thai border. He said the Siam government would like to have people all over the world to come to the conference, but he said he was not sure if the Siam government would be able to do so.

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## ngkok junta endly moves U.S. Japan

BANGKOK, Oct. 12

**FOREIGN** policy of Thailand's military junta will be increased by increased friendship with the U.S. and Japan, a Government spokesman said in an interview to-day.

Foreign Minister Thanat Khoman also indicated in an interview that Thailand's policy of defence with Communists would be firmly reversed.

Thanat's interview, the first by any adviser to the junta since it seized power last Wednesday, was in today's Siam Rath.

## dians ex

relations with the U.S. are

of a cool sort of relationship with Japan, whose expertise is most important to us. We must strive to our last advantages of the war to three years.

Thanat specifically cited as a reason for the deterioration of friendly relations with Malaysia, the fact that Malaysia is a member of the five-country association of Southeast Asian nations without whom we already have been isolated from Asia.

He said this year, the Thana's Nkomto said to-day there were practical difficulties in holding a Geneva conference on the Siam-Thai border. He said the Siam government would like to have people all over the world to come to the conference, but he said he was not sure if the Siam government would be able to do so.

## ON OTHER PAGES

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Anil suspended  
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## India's industrial production 13% up

NEW DELHI, Oct. 12

**INDUSTRIAL PRODUCTION** in India increased by an impressive 13 per cent in the first half of the current fiscal year as compared to the same period last year. It is widely expected that the rate of increase will be maintained throughout the year.

The Department of Heavy Industry has estimated that the depressed railway wagon industry will pick up this year and about 10,000 wagons will be built in addition to the large numbers that are to be exported.

Meanwhile, exploration by the Geological Survey of India has established extensive reserves of valuable minerals like iron ore, lignite, lead, copper, zinc, nickel, bauxite and many others apart from oil and coal which were already known to be present in large quantities.

Plans for exploitation of the reserves are to be based on the findings that 9,800 tonnes of iron ore are available while there are 200 tonnes of lignite and 330m. tonnes of copper. Reserves of lead and zinc are estimated at 120m. tonnes and 101m. tonnes respectively.

Plans are being formulated to produce base metals from reserves of copper bauxite, iron ore, manganese and dolomite to meet both domestic and export needs.

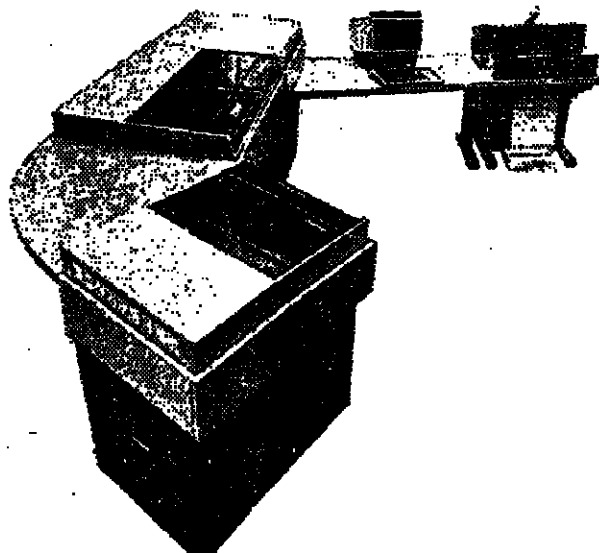
The main foreign exchange earner will be iron ore. Government companies are to be set up to exploit the new reserves. Last year production of iron ore was 41.3m. tonnes and it is expected to rise significantly this year.

The Kudremukh project in Karnataka state is being developed for iron which is giving a loan of \$650m. for production of 7.5m. tonnes annually. O. Reuter adds: 95 people were killed when an Indian Airlines Caravelle crashed in flames at Bombay's Santa Cruz airport early to-day after an engine caught fire soon after take-off.

## "THE COMMON MILLIONAIRE"

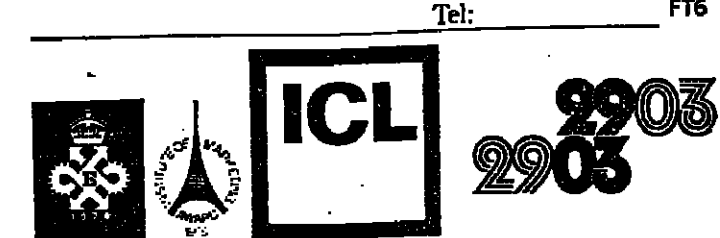
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## WORLD TRADE NEWS

## MULTILATERAL TRADE NEGOTIATIONS

## Time may be running out

BY DAVID EGLI

GENEVA, Oct. 12.

THE MULTILATERAL trade negotiations resume here tomorrow with the unveiling of the Japanese and Swiss proposals for a general tariff cutting formula. With these in hand, the tariffs group will have a clearer picture of the possible lines of compromise between the presently starkly opposed positions of the major trading partners, the U.S. and the European Community.

That the differences will ultimately be resolved is hardly open to doubt, although it will probably be very late in the year before the major elements of a tariff negotiating plan are finally worked out and squabbling over exceptions to the general formula may well spill over into 1977.

The general impression is that with the West German and American elections out of the way and with a new Commission in Brussels, countries will at last start to demonstrate the political will to move forward toward achievement of the goals in the Tokyo declaration, called for last December at the meeting of the steering committee negotiations committee. But with other key and controversial issues such as how to tackle agriculture still hanging over the talks, it is by no means clear that a tariff formula agreement will provide sufficient impetus to ease the negotiations out of the doldrums which hit them almost before the ink on the 1973 Tokyo ministerial declaration was dry.

Deadlines have come and gone, dire warnings about the dangers of a retreat into protectionism have been issued, but the facts of economic life—the recession, the dip in world trade, monetary upheavals and government crises—have not provided a propitious backdrop to the achievement of the expansion and ever greater liberalisation of world trade and improvement of the standard of living and welfare of the people of the world through the progressive dismantling of obstacles of trade called for at the start.

At best it can be said that the show has gone on, although with the actors almost overcome by ennui and frustration and an apparent total lack of audience participation.

The Tokyo Round of multilateral trade negotiations, with a broader range of objectives than the previous Kennedy Round, cannot be conducted in a vacuum and the general mandate of the negotiators has been to mark time until Governments feel more confident to tackle outstanding trade issues in a constructive spirit. But there is an awareness, after years of apparently necessary prevarication, that time may be running out.

Political and economic influences appear to single out next year as the most favourable in this decade to achieve lofty goals to which the trading partners, some of them albeit reluctantly, subscribed.

Can the inertia be overcome at this stage? The answer is probably yes, although it will require a considerable face-lifting operation. For some this might even call for the arrival on the negotiating scene of a new and

dynamic co-ordinator. The mandate of the Director-General of GATT comes up for renewal shortly and is already the subject of discussion in various capitals.

Despite the considerable dismantling of tariffs as a result of previous GATT negotiations and the greater emphasis in the present round on non-tariff barriers, the tariff cutting formula finally adopted will have a considerable, if unmeasurable, impact on the patterns of future world trade. The main target of the American formula of a 60 per cent. cut on all tariffs above 7 per cent. and a minimum of 50 per cent. on those below this level is the bulk of the Community tariffs, which fall in a 5 to 15 per cent. range.

The harmonisation element in the American proposals, "relatively minor" in the European view, bears only on the difference between 50 and 60 per cent. cuts on the lower tariffs.

The Community approach is that the higher the tariff the greater should be the reduction, thus going for the peaks in the U.S. tariff structure.

An additional bone of contention is the Community's exclusion of agricultural tariffs from the overall formula. It is understood that the Japanese proposals, although leaning towards the European position on harmonisation of tariffs, will not exclude agriculture, while the Swiss are believed to be positioning themselves closer to the Americans and going for more ambitious overall tariff reductions.

## 'Jumbo' projects warning

By Lorne Barling

BRITISH INDUSTRY is in danger of losing export work in major contracts involving foreign partners as a result of inadequate joint and several cover offered in the U.K., a senior industrialist warned yesterday.

Mr. Denis Rooney, chairman of the British Overseas Trade Board's South East Asia advisory group, said that unless some answer was found in the near future, orders would be lost.

Mr. Rooney, also chairman and managing director of Balfour Beatty, part of the BICC Group, suggested that Britain's failure in the recent Dubai power station project was partly attributable to the need to allow, when bidding, for the risks involved in such joint ventures.

He believed that South East Asia was an area of particular opportunity for increased U.K. exports and warned of the dangers of neglecting this market in favour of more immediate sales in the Middle East.

He specified a number of products which were needed there, such as electricity generating equipment, hospital supplies, transport equipment, processing machinery and many kinds of telecommunications equipment.

Mr. Rooney urged U.K. companies to devote greater resources to export effort in the area, pointing out that although it presented difficulties, perseverance was likely to be rewarded.

He intended to identify one major project in a number of South East Asian countries on which a multi-industry British team could mount a substantial effort.

## Boycott of Canton trade fair

MALAYSIAN Chinese traders are boycotting this year's Canton Trade Fair, following the Malaysian Government's refusal to allow 88 of them to participate in the fair, which opens on Friday.

As a result, only six Malaysians—five from the Government-sponsored Pemas Trading Organisation, and an official from the Trade Ministry—left Kuala Lumpur for Hong Kong en route to Canton.

The Government, in rejecting the 88 applications, said these traders had been to previous trade fairs in China, and it wanted to encourage new traders to participate. The Government is also believed to be worried about the security implications of the same traders making frequent trips to China.

## £3.5m. hotel

The Miller Group has won a £3.5m. contract for the construction of a 200-bedroom hotel in Umm Al Quwain, one of the United Arab Emirates. The contract, which has just started, will take 30 weeks, and the hotel will be a two-storey structure around a central courtyard and will include a swimming pool.

## Korean pledge

Leading South Korean businessmen in Seoul promised to try to import more British goods, including machinery, to help rectify Britain's unfavourable trade balance with this country. The promise was made in a joint statement released after the third annual meeting of private business leaders of the two countries.

## Peugeot contract

Peugeot said it will take at least two to three months to negotiate a contract with Iran on a plan to produce cars in Tehran, following a preliminary agreement reached last week.

## Plant expansion

Turner and Newall has signed a licence agreement to use B. F. Goodrich's polyvinyl chloride suspension resin manufacturing process for a 35,000 metric ton per year expansion now being built by its subsidiary British Industrial Plastics at Ayelife, Co. Durham.

The expansion is expected to cost more than £14m. and is scheduled for completion in April, 1979.

## Bitumen plant

Kuwait Oil has signed a contract with Foster Wheeler Italiana, a unit of Foster Wheeler, for the construction of a 250,000-ton-a-year bitumen plant at Kuwait's Mina Al-Ahmed. Foster Wheeler said the contract totals \$17.5m.

## French air exports down

By David Curry

PARIS, October 12. THE FRENCH aircraft industry has suffered a sharp decline in its export orders over the first nine months of the year, according to the Industry Association. Orders for civil and military equipment were Fr.1.1bn. down from the Fr.7bn. recorded last year.

Expressed in constant terms the decline was even heavier by the equivalent of Fr.1.7bn. the shortfall of 74.3 per cent.

The Association attributes the problem in about equal measure to saturation in the civil market and the postponement of anticipated orders for military hardware.

While Aerospatiale has continued to find buyers for its helicopters and tactical missiles, Dassault's Mirage aircraft has failed to attract more than a handful of clients.

## Europeans accuse Japan's steelmakers of dumping

BY OUR OWN CORRESPONDENT

OSAKA, Oct. 12.

DR. DIETER SPETHMANN, president of August Thyssen-Hütte, accused the Japanese steel industry of dumping cut-price steel on an already severely depressed European market.

Speaking at a Press conference at the 10th International Iron and Steel Institute Conference at Osaka on Tuesday, Dr. Spethmann said the Japanese industry had not cut its production in line with the fall in world demand and was, in effect, exporting its potential unemployment.

In 1973, he explained, Japan had produced 118m. ingot tonnes, had used itself the equivalent of 88m. ingot tonnes, and exported 30m. tonnes.

In 1976, Japanese domestic steel consumption is expected to be more than one-third less, at the equivalent of about 65m. ingot tonnes, while production has been cut back only half as hard, to an expected 103m. ingot tonnes. Exports, too, have only been cut back to an expected 21m. ingot tonnes for the year as a whole—a cut of a fifth—even though demand in Japan's main export market has dropped by anything up to one-third.

"This reflects a quite different philosophy from the West German industry," he said, "which has been to reduce production to meet a demand so as to work within sound financial principles, making sufficient profit to develop adequate reserves, pay dividends, and so on."

## Prentice stresses need for world trade growth

BY JAMES SUXTON

MR. REGINALD PRENTICE, the Overseas Development Minister, yesterday opened Impo-Expo, the London trade fair which is designed to help developing countries market their products in Britain.

A total of 42 countries are displaying a wide variety of products ranging from briefcases from South Yemen to safari suits from Sierra Leone, but the most prominent items are handicrafts of every kind.

Mr. Prentice stressed that Impo-Expo was an opportunity for Britain to demonstrate, albeit in a comparatively small way, that for all our own difficulties we have not turned our backs on the developing world, because we recognise that the problems there are infinitely greater than our own.

Rejecting the idea that encouraging imports was short-sighted, he said that Britain had vested interest in the growth of world trade and of the world economy.

The exhibition, organised by the Import Opportunities Office of the London Chamber of Commerce, runs at the World Trade

Centre at St. Katharine's Dock for the rest of this week.

The Ministry of Overseas Development has contributed about a quarter of the £150,000 odd cost of the project, which is also being funded by the EEC and the Commonwealth Fund for Technical Co-operation. Each participating country has sent two delegates to London free of charge.

Impo-Expo began last week with lectures and seminars on exporting to the industrialised world. Next week should be spent following up contacts made at the exhibition.

Although many delegates are glad of the chance to display their countries' products, concentrating on goods other than their traditional export commodities, some have expressed their doubts as to how effective Impo-Expo can be in fulfilling its proclaimed intentions.

Some of the delegates have pointed out privately that the difficulty of devising lectures and seminars for such a diverse collection of countries with differing levels of sophistication and very varied products made them too general to be very useful to many delegates.

## Italian wines for U.K.

BY KENNETH GOODING

ITALY NOW seems certain this year to replace Spain as the second most important exporter of table wine to the U.K.

Spain traditionally has held second place behind France. But the advent of Britain's entry to the Common Market and Italy's attack on the cheaper end of the table wine market, at a time of recession and price-consciousness in the U.K., has had its effect.

In the first seven months of 1976, clearances from bond of Italian wine totalled 2,967m. gallons, while those of the Spanish varieties came to 2,838m. gallons.

And yesterday (Monday) the Spar grocery group gave progress another boost by introducing Italian wines under its own

label. It claims to be the first "symbol" group to offer Italian wine in this way.

Mr. Mike Hutton-Black, Spar wine and spirits executive, says he expects the new Italian wines to account for 30 per cent. of the group's total sales this year. The two wines, to be distributed through 1,600 licensed Spar retailers (some third of the total) are bottled for the group in the Gambellara, Vicenza, area in Italy.

Mr. Hutton-Black comments: "Our wide distribution gives them a strong chance of capturing a substantial share of a market that still lacks a clear brand leader, despite the rapid growth in imports of Italian wines from 1970 to a current rate of more than 5m. gallons."

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / October 1, 1976

\$125,000,000

## First Chicago Corporation

7¼% Notes due October 15, 1986

Interest payable April 15 and October 15



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Warburg Paribas Becker Inc.

Morgan Stanley &amp; Co.

The First Boston Corporation

Goldman, Sachs &amp; Co.

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Bache Halsey Stuart Inc.

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# "Midland Bank does a fine job for us by complementing our craftsmanship and technology"

—Richard Bailey, Managing Director,  
Royal Doulton Tableware Limited



Geoff Cooper (left), and Richard Bailey.



In the decorating shop: a craftsman working on a new range of wildlife sculptures.

Royal Doulton are Britain's biggest manufacturers of china—from everyday tableware to the most elaborate ornamental figurines.

Besides Royal Doulton, their famous brand names include Minton, Royal Crown Derby, Royal Albert, and Beswick. You can buy a bone china cup-and-saucer for £1.10 or an elaborately crafted piece from the Figures Collection for £2,113.

Over 50% of the company's total production goes for export—for some product ranges that figure exceeds 80%. And they have received Queen's Awards, two for exports and one for technical innovation.

Says Managing Director, Richard Bailey: "Exports are vital to our success as a company and, indeed, to the survival of the country as a whole. Our greatest assets are the accumulated skills embodied in our 10,000 employees and the world-wide reputation of our brand names. The successful marketing and manufacture of fine china is very much a matter of good teamwork, and the Midland does a fine job for us by complementing our craftsmanship and technology."



"The plate decorator's meticulous artistry."



Flowline cup production.

## "A million dollars a month and no bother"

Geoff Cooper, Finance Director, takes up the story: "We've always had very good service from the local Midland branch at Hanley."

"That can be crucial in the export field, where the sheer quantity of documentation demands a high degree of expertise and organisation."

Royal Doulton's foreign currency needs are particularly complex. With the virtual disappearance of fixed exchange rates over the last three years, competing in fiercely contested overseas markets takes on added problems and perils.

Says Geoff Cooper: "What we've wanted from the Midland, we've got. For example, to protect us from fluctuations in exchange rates, Midland Bank's International Division helps us with forward currency dealings. This can involve a million dollars a month. With the Midland that's no bother. Everything happens as it should."

## "Midland Bank support helps us to increase our exports"

Royal Doulton people are expert craftsmen and women: even with automated processes a piece may be handled no less than 36 times. "We're potters," they say. "We make functional things, fit for their purpose, that are also artistically satisfying."

The plate decorator's meticulous artistry, the skill of the engineer, the intense professional

affection a figure painter brings to each owl: all illustrate the essential role of people in this craft-based yet highly sophisticated company.

Most of the company's production takes place in the famous pottery towns around Stoke-on-Trent, where Royal Doulton are continuously expanding and modernising their factories to boost production. Midland Bank finance is used for capital expenditure, including, for example, a £1¼-million medium-term loan for new plant.

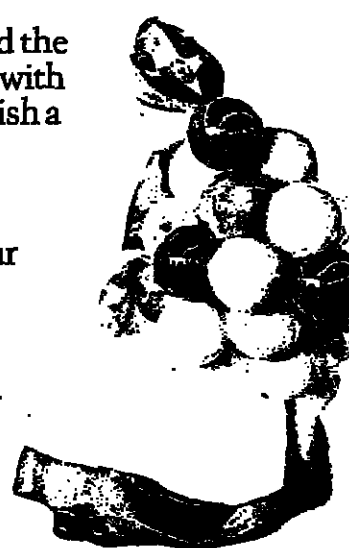
Says Richard Bailey: "We find the Midland are personable people with whom it has been easy to establish a sound and profitable business relationship. They give us good financial support as a result of which we are able to develop our business and increase our exports."

## How does Midland Bank Group fit in?

Whatever your company's size and style, or the kinds of banking service you need, you'll find the Midland people good and businesslike to deal with. Your Midland manager can also help you with access to services provided by all the powerful companies that make up Midland Bank Group.

Services that include facilities for term loans, leasing, hire-purchase, merchant banking, equity capital for growth companies, international insurance broking and advisory services, international and export finance, travel, factoring, investment management and trust services. Also, for very large companies, Midland's Corporate Finance Division has a select team that can work directly with the company to make the best possible use of the wide range of Group services.

Talk to your local Midland manager—he can put you in touch with all the right people.



Old Balloon Seller from the Royal Doulton Figurine Collection.



A rare pâte-sur-pâte vase from the Minton Museum.



# Midland Bank Group

Principal trading companies: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Finance Corporation Limited, Northern Bank Trust Corporation Limited, Midland Bank Trust Corporation Limited, Midland Bank Group Unit Trust Managers Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Travel Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Guyerzeller Zimmont Bank AG, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited, London American Finance Corporation Limited, British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.



## CITY OF COPENHAGEN

Swiss Francs 60,000,000 5% International Loan, 1974/83

## REDEMPTION OF BONDS

Morgan Grenfell & Co. Limited announce that for the redemption period ending 15th November, 1976 the City of Copenhagen has purchased and tendered to them for cancellation bonds from the above Loan for Swiss Francs 553,000 nominal. The nominal amount of Bonds to be drawn for redemption at par on 15th November 1976 to complete the City's current amortisation obligation is accordingly Swiss Francs 3,447,000.

## DRAWING OF BONDS

Notice is hereby given that a Drawing of Bonds of the above Loan took place at the offices of Morgan Grenfell & Co. Limited on 4th October 1976 attended by Mr. Richard Graham Rosser of the firm of De Pinna, Scores & John Venn, Notary Public, when 3447 Bonds for a total of Swiss Francs 3,447,000 nominal were drawn for redemption at par on 15th November 1976. The nominal amount of the Loan outstanding after 15th November 1976 will be Swiss Francs 28,000,000.

The following are the numbers of the Bonds drawn:—

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																						
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The above Bonds may be presented for payment of the proceeds of redemption at par on or after 15th November 1976 at the offices of any of the Paying Agents named on the reverse of the coupons, or at the office of Privatbank Akt. Copenhagen, in the manner specified in Condition 6 of the Terms and Conditions of the Loan printed on the reverse of the Bonds.

Each Bond, when presented for redemption, must bear the coupon dated 15th May 1977 and all subsequent coupons, together with the amount of the missing coupons which will be deducted from the principal to be repaid.

The undermentioned Bonds which were drawn for the following redemptions have not yet been presented for payment:—

15th November 1972 Redemption	15th November 1973 Redemption	15th November 1974 Redemption	15th November 1975 Redemption
1105 13197 13199 13201 13204 13211 13213 24545 24547 38336 47223 47725 47728 49871 52733 52735 52829			
13203 15166 34782 35563 45404 49413 56988 56319			
15th November 1975 Redemption			
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## HOME NEWS

## Babcock to give up part of Isle of Grain contract

BY ROY HODSON

BABCOCK AND WILCOX has agreed to relinquish part of its £60m-plus contract for the troubled Isle of Grain oil-fired power station, where an 18-week strike has brought construction to a standstill and 1,700 men are out of work.

The company has responded to pressure from the Central Electricity Generating Board, which is having to finance the half-built station at a rate of £1m a month.

Mr. Ron Burbridge, CEBG's joint project manager, said the Board's last remaining representative at the site, was told yesterday by pickets he would have to leave his car at the power station gates and walk half a mile to his office.

He refused and went to London. By last night, he had set up an emergency office at CEBG headquarters to run the administration of the power station until the labour situation on the site is sorted out.

Meanwhile, Mr. Peter McAlin, construction director of the power and process engineering group of Babcock and Wilcox, was travelling to London from his Renfrew, Scotland, office.

Both Babcock and the CEBG are hoping that a fundamental reappraisal of management and contractual responsibilities, after Babcock's 4½ years on the contract will secure a return to work. New contracts are to be let for many aspects of the construction which have been Babcock's responsibility.





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## HOME NEWS

## New mortgage rate 'could come down next spring'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE NEW 12.25 per cent mortgage rate could come down in the spring, Mr. Leonard Williams, chief general manager of the Nationwide Building Society, suggested yesterday.

Referring to this week's message from Mr. Denis Healey, Chancellor of the Exchequer that the present high interest rates could soon be reduced, he said that if this was the case, then there was a possibility that the mortgage rate also could fall.

The overall economic outlook remained uncertain, however, and he was not very sanguine about prospects.

If last week's 2 per cent rise in Minimum Lending Rate was gradually removed over a relatively short period, the societies—while in no sense directly tied to Minimum Lending Rate movements but sensitive to general interest rate levels—might well consider some reduction in their own rates.

Any cut, however, would be fairly small. The cost of home loans had been certain to go up before the latest general interest rate increases, and last week's events alone only accounted for around half of the 11 per cent mortgage rate rise.

A substantial body of opinion

within the building society movement believes, however, that because of last week's measures the latest interest rate structure has done almost nothing to improve its competitive edge over other investments.

## Other Home News on page 25

## New homes

Over the past year, the Nationwide index shows that average prices for new homes have risen by 12 per cent, with terraced houses, bungalows and flats showing the fastest increase (14 per cent) and new semi-detached houses showing a slower rate (9 per cent).

Secondhand properties also rose by 9 per cent over the 12 months ending in September. There was no sign of any acceleration in house prices, Mr. Williams said. The rate of increase for secondhand homes was now less than a year ago and this sector of the market accounted for over 80 per cent of all sales.

If other interest rates fall back, therefore, there could be considerable pressure to hold the societies' rates and so provide them with a healthy differential over their competitors.

The Nationwide yesterday published its house price indices for the U.K., which show that prices

## Big rise in food prices next year

BY STUART ALEXANDER

A WARNING that EEC sides on U.K. food as continue and that this could lead to an increase in food prices between 17 and 20 per cent next year, was made last night by Trenchard, president of the Institute of Grocery Distributors.

"With sterling at its present levels it is, indeed, a question where we can get our food price which the public can't pay," he said.

"Some suggest that our price inflation is due to Common Agricultural Policy the EEC. In fact, the EEC is paying subsidies to keep our prices down at the rate of £4 a year and this cannot go on."

The Food Manufacturers Federation, commenting on prediction, emphasised the need to avoid devaluation of "green" Pound. But there other areas where increased were bound to lead to price rises.

## Devaluation

Some foodstuffs such as tea, citrus fruits and some vegetables would be hit by a rise in price and the devaluation of the pound. Rising rates, electricity, gas, distillation fuels and labour would push up prices to the house and this would be aggravated by poor harvests of certain crops such as vegetables.

The Federation also renewed its warning of the package of EEC proposals designed to protect dairy farms and force the increased use of milk powder would also lead to higher prices, as would the proposed tax on vegetable and other imports.

Mrs. Sally Oppenheim, Optician spokesman on Prices Consumer Affairs, said at a meeting yesterday: "We are on the brink of a far disastrous outbreak of inflation of this there can no longer any doubt."

"The worst part of this is for consumers is that the component will be food prices. Undoubtedly, the hardship will result will be severe and be in itself yet another incentive of this Government."

## Rise likely in U.K. shoe imports

By James McDonald

FOOTWEAR IMPORTS in Britain this year may account for 45 per cent or more of the market compared with about 30 per cent in recent years.

Provisional figures by British Footwear Manufacturers Federation show that in the eight months of this year imports of all types of footwear were 19.9 per cent higher in value (pairs) than in the same period of last year and that, in terms of value, they were 27.7 per cent higher. In contrast, U.K. exports of footwear during the same period were 3.4 per cent higher in volume than in the first eight months of 1975, and 6.4 per cent greater in value, reflecting an inflationary trend in British prices.

The Federation estimates that about 225m. pairs of footwear will be sold in Britain during the whole of 1976, of which 88m. pairs imported in the eight months of the year a import figure for the year could be over 100m. pairs.

The British footwear industry has made several pleas to Government to impose control on cheap footwear imports from the Far East and Comoros countries but has received little relief, apart from an announcement last month of a curb on leather, sandal imports from Comoros.

Comoros, which has imposed on men's fashion footwear imported from Brazil.

The British footwear industry with suppliers, employs 100,000 workers and it has estimated that nearly 50,000 have been on short-time working, about 5,000 workers within figure on temporary employment.

Perhaps the biggest shock to the industry was decision last month by K Shoes to close its factory in Northumberland Street, Norwich—a of 350 jobs, and to make further 185 of its workers.

Cumbria residents. "Previously, we had thought that it was the unbranded manufacturers who were being hit, the decision by K Shoes branded manufacturer, who has been critical of the position, became a blow to the industry."

Official figures from the Federation for the first seven months of this year show that 63.3m. pairs of footwear were imported, compared with 63.2m. pairs in same period of 1975—an increase of 19 per cent in volume, value, at £97.5m., was over £2 or 26 per cent, above the 1 of the 1975 period.

U.K. footwear exports in seven-month period, in value, totalled £124.7m., by contrast only £97.5m.—a 24 per cent increase in the same period of last year, and the value, at £24.7m., was 26 per cent higher. "Some of overseas markets have imposed controls which hinder exports," said the Federation.

In the import sector, the Federation is registering large increases in volume over the year were: Taiwan—up 150 per cent; South Korea—up 66 per cent; Japan—up 120 per cent; Belgium—up 324 per cent. Of the 10 month import total, Hong Kong held a 23 per cent share in value of footwear, Italy 15 per cent, Taiwan 8 per cent.

## Howell denies drought charges

By Stuart Alexander

CHARGES THAT the Department of the Environment and the Meteorological Office had exaggerated the severity of the drought were denied yesterday.

Mr. Denis Howell, Minister in charge of coordinating water resources, said: "There is no room at all for complacency. There is still a major long-term shortfall in our water resources. Underground water supplies are dangerously low in many areas. To build them up to safe levels for next year we need not only a wet winter, but continued economy in water use."

The acute phase was over and the heavy rain of the last six weeks had brought some relief. "This means that the threat of water rationing is averted and some of the restrictions on water use can be progressively wound down."

Figures for the last two years showed that by the end of September there was a shortfall of nine inches below average.

"The figures leave no doubt that the need to conserve water is still very real. We cannot take risks where jobs, food, and health could be at stake. We must go on saving water whatever the weather."

In spite of the recent rainfall, water saving has continued in many areas as the public has become used to taking more care.

In the north-west, where restrictions have been removed, savings are down, but are still running at between 15 and 20 per cent. Severn-Trent, where some restrictions are still in operation, voluntary cuts are showing about 20 per cent, and in Yorkshire between 9 and 24 per cent.

## Restrictions

The Yorkshire Water Authority said yesterday that the Drought Act restrictions would continue in its south western division where stocks are low.

Stocks in the other three divisions are standing at 65 per cent, 76.4 per cent, and 89.7 per cent of capacity.

This has even led to hosepipe bans being withdrawn in many areas. But in the Humberside area it will continue to allow underground stocks to build up.

In the urban areas consumption has increased faster than in the country, where the effects of soil moisture deprivation have been more apparent.

However, the industry has remained aware of the need to trim its requirements, and substantial savings are still being made in south-east Wales, where rationing was first introduced.

Mr. Alan Williams, Minister of State for Industry, said in London that he hoped no major constraints would be imposed on industry next year because of any drought. But it depended on rainfall reaching at least three-quarters of the long-term average.

A circular is now being prepared by the Scottish Civil Servants putting this requirement into effect. It is likely to state that the £47m. must be taken into account when calculating the base figure for the 1977-1978 rate support grant.

At councils say it is already too late to save this money, the effect will be severe cuts in local authority budgets next year coupled with high rate increases. Scottish authorities feel

This year's set of special Christmas stamps, which will go on sale from November 24, will feature Christmas scenes from 13th and 14th century embroidery. The scenes were chosen from a collection of English medieval embroidery at the Victoria and Albert Museum, London. The new stamps will be in values of 6p, 8p, 11p and 13p. A Christmas annual letter form (above) will also be available, from November 7, featuring scenes from family Christmas celebrations in Victorian times.

## Scottish councils fear staff cuts

BY RAY PERMAN, SCOTTISH CORRESPONDENT

LOCAL AUTHORITIES in Scotland fear that there could be large-scale redundancies among council staff as a result of Government insistence that next year's rate support grant must be paid down.

Throughout the summer the authorities have been in dispute with Mr. Bruce Milne, Secretary of State for Scotland, over the amount of their spending for the current financial year. The grant is based on the projected spending estimated by the Scottish Office of £1,030 bn, but the local authorities budgeted for £1,077 bn.

Mr. Milne is now insisting that cuts must be made in services to bring current spending down to the Government's level, and that the disputed £47m. must be carried forward to next year as credit balances by individual authorities.

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they have suffered more than their counterparts in England and Wales because re-organisation followed a year later North of the border and the subsequent costs have coincided with the economic stringency.

Mr. Graham Siders, Secretary to the Convention of Scottish Local Authorities, said yesterday: "We accept that in the national interest we have to co-operate with the Government as much as we possibly can. But the fact is that local government is highly labour-intensive; you can't save money without cutting services and you can't cut services without cutting jobs."

Although Mr. Milne has said he hopes staff reductions can be achieved by natural wastage, the Government accepts that there may have to be redundancies. During his recent visit to Glasgow, the Prime Minister shocked Labour councillors on the party's Scottish Executive by telling them bluntly to "sack a few planners" if they could not achieve the required savings painlessly.

Redundancies are bound to bring the local authorities into conflict with trade unions representing public employees. There have already been some clashes, including the recent strike by cleaners which closed many schools in the Highlands.

The paper is also attacked by the association for showing a lack of corporate planning and banking within the Government.

"Social services appear largely as an adjunct to the health service, and because of this health orientation much of the work of local authority social services departments is overlooked or barely touched on. Social problems generally and the social climate in which social services have to operate are largely ignored."

## Co-op increases loan rate

CO-OPERATIVE BANK

one-to-three-year personal loans go up 1 per cent, to-day. Interest on new loans will rise from 16 to 17 per cent. The interest rate for home development loans remains unchanged at 18 per cent.

## Health, social services paper 'not realistic'

BY DONALD MACLEAN

THE GOVERNMENT consultation paper on priorities in the health and personal social services, published in March, fails to recognise the present financial restraints on local authorities, says the Association of Metropolitan Authorities.

However, the association welcomes the paper as "the first serious attempt to involve local authorities in national planning for health and social services."

The paper would be "significantly modified" if rewritten in the light of information now available.

The association believes, however, that discussions with the Department of Health and Social Security since the paper's publication reveal a gap in understanding on the true position. The assumed levels of expenditure

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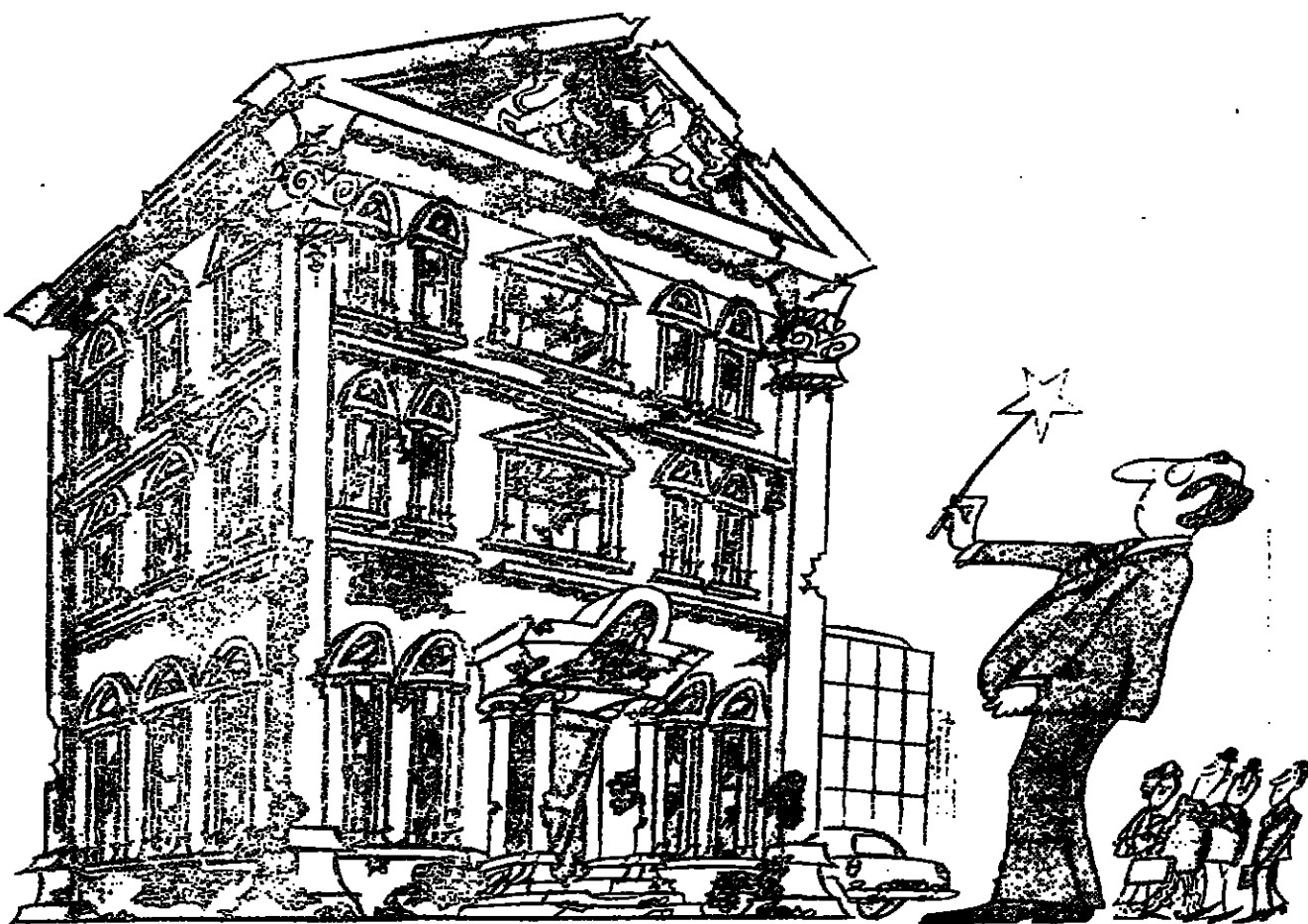
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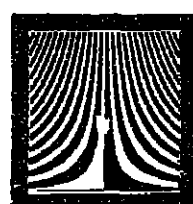
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## DATA PROCESSING

### New challenge to the leader

SUPPLIER of memory devices in the move to the close accord which seems to have been struck between IBM and National Semiconductor. IBM has been providing for its System 370 computers, Intel has decided to go for the top with a broadside attack on IBM's largest machines.

The company is on the point of unveiling competitors to IBM equipment in the firm, and up class. They are a family of central processors covering a 470 machine which has been challenging IBM's largest computers in the U.S. and is now being used to attack the European market.

A significant and frequently forgotten consideration behind the Intel and Amdahl moves is that a large number of IBM users are still operating large 360 machines. Several thousand of these are in the U.S. and Europe. Intel is showing very clear signs that it is prepared to use its immense research and development capabilities to beat off the competition to a far greater degree than at any time hitherto. Perhaps the breakthrough pace of users are still operating large 360 machines. Several thousand of these are in the U.S. and Europe. Intel is showing very clear signs that it is prepared to use its immense research and development capabilities to beat off the competition to a far greater degree than at any time hitherto.

## Popular APL easier to use

APL IS being offered as a standard language on the HP-3000 Series II computers together with a display terminal with a full APL character set and, in making this announcement, Hewlett-Packard says it provides a user of the language with a solution to his requirements at about half the cost of comparable equipment.

The terminal has eight special-function keys, any one of which can be programmed to issue a string of up to 80 characters in length. Alternatively, several control sequences can be triggered by one key, these being stored in terminal memory.

It is controlled by its own micro-computer and has 4K bytes of semiconductor memory that can be expanded threefold if needed.

Mini-cartridge drives brought out last year by the company are optional to provide up to 220K bytes of storage.

More from Hewlett-Packard on Wokingham 784774.

## Display is easier to read

NEWEST addition to the Philips PTS 6000 bank terminal system is a compact video display unit, the PTS 6344.

Developed in close co-operation

with some of the banks using the Philips PTS 6000 (which to date have placed orders for 500 units), the new VDU can be tilted from -10° to +30° and turned through ±90° to allow optimum adjustment to the user's working position.

Controlled by terminal computer to meet any specific information-handling requirements in banking, the unit gives operator guidance for data entry and output, and for inquiries to central files. It can be used with any of the PTS 6000 system keyboards, and with either the PTS 6110 or PTS 6810 terminal computers.

A bright 9 x 6 inch display area provides a capacity of 1280 characters on 20 lines. A 1920 character format is optional, using 24 lines. A flicker-free display is ensured by the high refresh rate used.

## Forecasts made less hazardous

DEVELOPED by the French-based European business school, Insead, Sibyl/Runner, a program package which will produce forecasts on practically any type of data without the need for constant expert advice.

It runs on the SIA large computers and offers quantitative forecasting techniques within a single integrated computer system. This reduces the choice of methods available to the busy manager and lowers the risk of a particular method being selected that is unsuitable for other forecasting situations within a company.

Other features include full AM and FM modulation facilities; modulation depth on AM can be set digitally in 1 per cent steps from zero to 99 per cent between 20 Hz to 20 kHz; on FM, peak deviation can be set similarly in three ranges up to 200 kHz.

Output can be set in 0.1 dB steps on an attenuator extending to 149.5 dB; the maximum output is 4 V. More about the unit, which is priced at £8,500, from Longacres, St. Albans, Herts (St. Albans 59292).

## PROCESSING

### Production of working plasmas

ONE OF the 17 U.K. papers presented at this week's UIC Congress (International Union for Electro-Heat) in Liege, Belgium, reports on progress towards harnessing the high temperatures possible with electric plasmas to process heating in industry.

Dr. P. D. Johnston and Dr. J. Lawton of the Electricity Council Research Centre in Capenhurst describe work on arc heater reactors and augmented flame reactors as promising in the task of providing large volumes of plasmas at moderate temperatures in the range 3,000 to 4,000 degrees C.

A magnetically rotated arc heater causes the arc to rotate quickly around the cathode, liberating power uniformly over the area. Presence of a magnetic field causes a considerable increase in the heat transfer coefficient.

In work on electrically augmented flames, attention has been paid to different degrees of seeding with potassium to obtain large-volume plasmas at controllable and relatively low temperatures.

A much greater volume of the gases fed in was heated compared with conventional rf systems and while the work is at an early stage the authors consider this to be one of the most promising means of obtaining useful processing temperatures at potentially lower outlays in equipment and power consumed.

## HANDLING

### High speed waste compactor

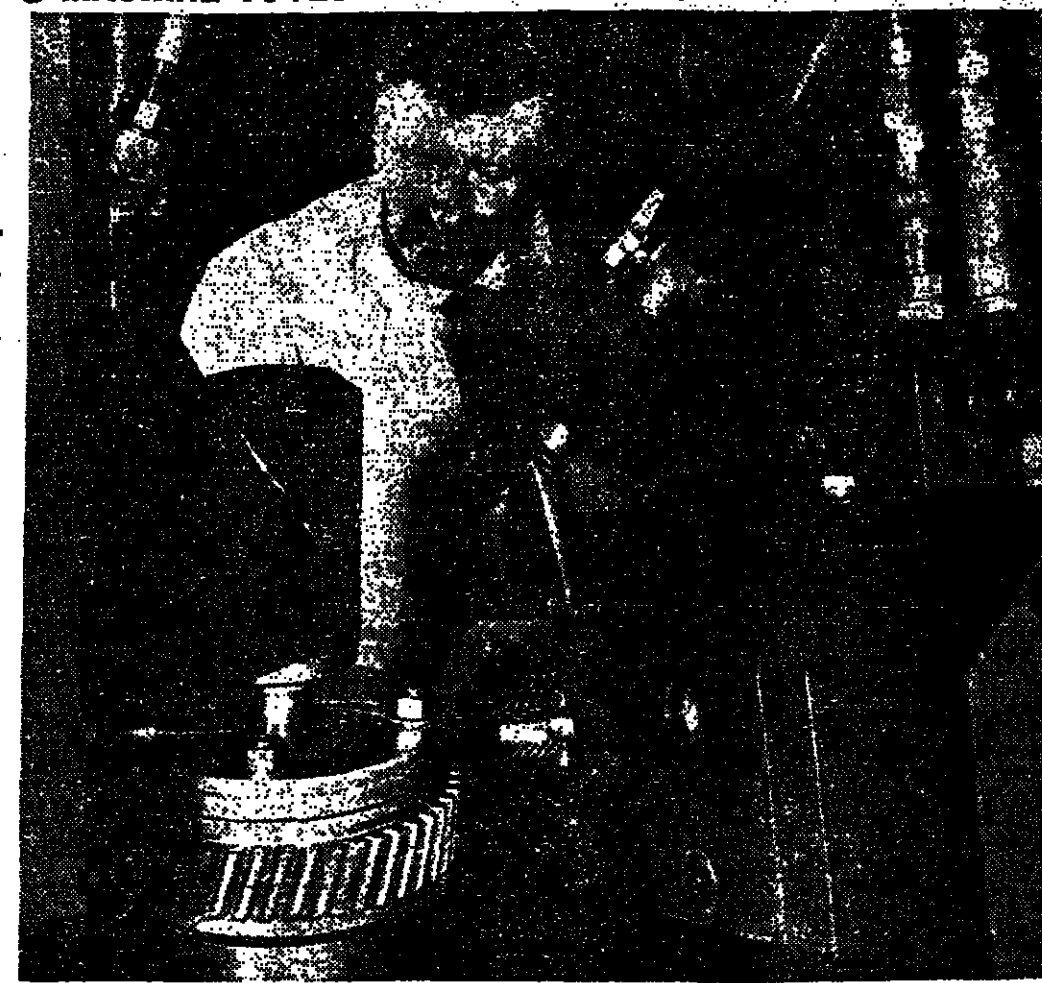
WITH A hopper capacity of 1.6 cubic metres, the Unipak 2/25 waste compaction unit can handle up to 187 cubic metres of refuse an hour, pushing the waste into a container coupled to the unit. The complete packing cycle takes 28 seconds.

Operating force on the packing plate, which travels 230 mm through the hopper into the container, is 22,233 kgf. This builds up to a boost of 33,200 kgf in the final packing cycle so that there is no spillage of waste when the full container is uncoupled for transport to a refuse tipping site.

The machine is hydraulically operated and can be manually or timed-cycle controlled. It is powered by a 15 hp electric motor.

Details from the maker, Powell Duffryn Engineering, Llantrisant, Pontypridd, Mid-Glam., CF7 8XZ (0443 22301).

## MACHINE TOOLS



Completing a gear-cutting cycle on the new Churchill hobber—two passes, depth of cut 0.47 inch, floor-to-floor 6.4 minutes. Most of the metal is removed on the first climb cut.

## Churchill introduces fast hobber

MEDIUM RANGE transmission gears can be cut in floor-to-floor times of about six minutes with the latest production hobbing machine from Charles Churchill, Blaydon, Tyne-and-Wear (089425 2133), a Tube Investments Machine Division company.

Design and development work was carried out at the TI Group's Hinxton Hall, Cambridge, research facilities. Emphasis has been on rigid construction to allow high metal removal rates.

Called the PH 250, the machine has a rated capacity of 250mm diameter and a maximum tooth

size of 6mm, but machine clearances permit gears up to 375mm diameter to be accommodated.

At this increased size, operational capabilities of the machine may be limited by component and hob dimensions, pitch and component material.

The work spindle provides a fixed workpiece height so that automatic component handling is simplified. The work table is sealed against coolant entry.

Depth of cut is adjusted by movement of the column along the machine base bed ways. During a cutting cycle the column is hydraulically clamped to the base, width 2 in., 15 deg. right hand helix, in SAE 5820 steel—a fix arrangement between the tangent slide and the hob head (solid HSS, single start) on an automatic double cutting cycle, mental axial shifting of the hob of cut.

This clamping is released at the floor-to-floor time was 6.4 minutes, with a 0.47 inch depth

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## TEXTILES

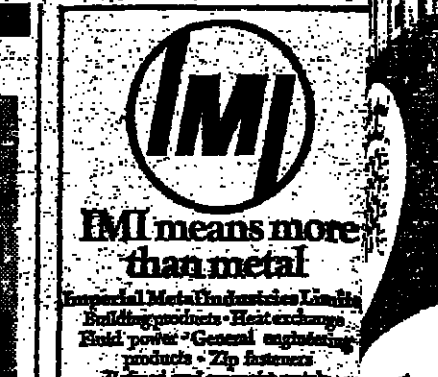
### Three-sided weaving

CLASSICALLY, weaving is based on two thread systems: warp and weft. The yarns pass at right angles to each other and, in plain weaves, alternately pass above and below each other.

Now, a completely new approach to woven fabrics has been introduced in the U.S.—trifacial weaving. It consists of three yarns: a weft and two warps which will normally be at 60 degrees to the weft, although other angles are possible.

Developed by Barber-Colman Company (British representative: Barber-Colman, Mansland Road, Broomfield, Sale, Cheshire, Tel. 061-973 2577) the machine is intended for the production of extra-high specification fabrics which must not only be very stable, but also must exhibit extra tenacity.

If it is necessary to produce cloths with minimal porosity then a cloth called "bi-plain" is woven. In this two ends are interlaced with the weft. Normally a traditional loom will separate the warp by raising and lowering alternate ends to form a shed through which the weft passes, but with the trifacial



## COMPONENTS

### GE wins in patents battle

IBM HAS lost against General Electric of the U.S. in a patent suit that has lasted about the years and concerns what is fairly described as one of the most extremely complex circuits: calculators, electronic word and computer memories.

Title of General Electric silicon nitride passivation or protection of light sensitive extremely small circuit devices of the MOSFET type widely used by IBM, among others, has been upheld by the U.S. Patent Office.

Originally patented by GE in 1971, the invention was a security challenge by IBM proceedings have been running on ever since, though a number of countries outside the U.S. in the meantime recognised GE prior rights.

The technique is being used in many industries all round the world. But it will immediately affect IBM, which has gone of MOSFET memories in many of its computers, particularly smaller ones for first-time use. What it means to GE of U.S. is hard to say since companies themselves do not appear to know. But in the affected by the present judgment, total sales of devices of this type should reach \$700m. by 1980, against \$50m. this year. If the U.S. wins, the GE balance sheet could assume a rosy hue in a not too distant future, partly if retroactive payments are taken into account.

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day October 13 1976

**PARLIAMENT**

IMMEDIATE

COMPONENTS

GE with left eager patents to cut cost battle of forces in Germany

# CALLAGHAN SCOTCHES ELECTION TALK

Mr. Callaghan yesterday damped down any suggestion that there might be a general election soon. He said: "That may well be a very long way off."

Asked the point of it, he said: "I have made it clear many times, that as long as I can maintain even a modest degree of support from my colleagues, the Labour Party will continue as the Government of this country, and I shall be happy to lead it."

Election talk was sparked off by Conservative backbencher, Mr. Malcolm Rifkind (Peebles) who urged Mr. Callaghan to emulate Herr Schmidt at the next election by ending up with less seats than the Opposition.

Mr. Callaghan won Labour cheers when he retorted: "I must remind the Tory Party, who are in danger of forgetting it, that the Labour Party has 36 more seats in the Commons than they do."

"Provided the Government does not lose its nerve, as our predecessors did on such matters as money supply in 1972-73, we have a very good chance indeed of coming through with perhaps even a larger majority in the next election."

Then came a challenge from Tory Leader Mrs. Thatcher: "Am I to take it that the result of Chancellor Schmidt's visit to this country was that you have learned that if you hold an election early you lose a large number of seats and have to be saved by the Liberal Party?" she asked.

Mr. Callaghan ended the discussion with his remarks about the Labour Party remaining as the Government if he could maintain even a modest degree of support.

# Rhodesia: Tories accuse Crosland of evasion

BY JOHN HUNT

A SURPRISINGLY row over the Government's attempts to reach a Rhodesian settlement blew up in the Commons yesterday with suspicious Tory accusations of evasion.

Some angry Conservative backbenchers shouted at Mr. Anthony Crosland, Foreign Secretary, as he prepared to leave the Commons. They were crying out "Double cross" from the Tory benches.

The depth of the split which now exists between the Opposition and Government on the Rhodesian question was emphasised when Mrs. Margaret Thatcher, the Conservative leader, pointed in the attack on the Foreign Secretary.

Mr. Patrick Cormack (C. South West Suffolk) attempted to get an emergency debate on Rhodesia in the Commons and accused the Foreign Office of creating "uncertainty and equivocation." But the Speaker, Mr. George Thomas, turned down the demand.

Mr. Crosland complained that not a single member of the Opposition, with the exception of Mr. Reginald Maudling, shadow Foreign Secretary, had uttered a word of encouragement for the success of the negotiations which will take place in Geneva between Mr. Smith and the nationalists.

In his statement to the House, Mr. Crosland announced that he had invited to the Geneva conference, on behalf of the nationalists, Mr. Robert Mugabe, Bishop Abel Muzorewa and Mr. Joshua Nkomo. Mr. Smith had been invited to nominate representatives of the Rhodesian Front.

Asked why the Reverend Sirhole had not been invited, Mr. Crosland said that he was prepared to consider other representatives if this would increase the chances of success.

He confirmed that the leaders would start to convene in Geneva on October 21 and the conference would start on October 23.

Mr. Crosland said that he was determined to do all in his power to bring peace to Rhodesia. "The prize within our grasp is a free, prosperous and multi-racial Zimbabwe."

Mr. Maudling put a list of questions to him. He wanted to know if Mr. Smith's account of the proposals put to him by Dr. Kissinger was substantially correct and, if not, in what way it was wrong. He also asked if the proposals discussed with Mr. Smith had been agreed in advance by the Government and the African Presidents.

In addition, he wondered whether Mr. Smith's acceptance of the proposal for majority rule within 18 months or two years meant that no one was pressing him for an immediate transfer of power.

The House of Commons is entitled to know this. After all, we are still responsible for Rhodesia," he said.

Mr. Crosland told him that Mr. Smith's proposals regarding the structure and function of the interim Government reflected the ideas previously discussed between the Americans, Britain and the African Presidents.

The British Government, he said, had no intention of pre-determining these matters. We wanted a rapid and orderly transfer of power to the majority and essentially Mr. Smith had accepted the need for this.

Mr. Maudling then wanted to know if—so none of the parties to the discussions seemed to be committed in advance to what extent Mr. Smith was committed.

But the Foreign Secretary told him that this was a question that should be addressed to Mr. Smith himself.

Mrs. Thatcher intervened to ask if the Foreign Secretary was now, in effect, saying that his own office had been in error when it issued an official statement declaring that Mr. Smith had accepted the proposals put to him by Dr. Kissinger and that these were an elaboration of the plan originally advanced by Mr. Callaghan.

But Mr. Crosland denied any error and said that the proposals were the five or six originally put forward by Mr. Smith. It had been made plain that these were under discussion for discussion but that they required further negotiation.



Mr. Crosland faced Tory shouts of "Sell out" and "Double cross."

# Jenkin points to cost of pay beds legislation

BY JUSTIN LONG

THE GOVERNMENT'S Bill to phase out pay beds would cost millions of pounds against a background of the most serious economic crisis since the war, Mr. Patrick Jenkin, shadow Secretary for Social Services, claimed in the Commons last night.

He urged the Government to drop its Health Services Bill, or at least to put it on ice for the time being.

"The Government is making its economic problems worse," Mr. Jenkin declared when the House debated the Bill on its guillotined report stage.

Some £20m. each year paid into the NHS by private patients would be chucked away if the provisions were implemented, he said.

Mr. Jenkin said that the Opposition spokesman maintained it meant that Exchequer borrowing would be higher than it need be.

"When every extra pound borrowed has its effect on interest rates, increases inflation and costs jobs, we are entitled to say 'for God's sake, abandon this Bill,'" he urged that phasing out of pay beds should be delayed until the beginning of 1979.

But more than 80 Labour backbenchers backed a new clause to phase out all pay beds in the NHS by no later than 1980.

As the Bill stood, the present £500 pay beds in the NHS would be cut by 1,000 six months after the Bill became law. The phasing out of the remainder, however, would be decided by an independent Health Services Board.

Mr. Callaghan replied that the most important thing was for the Government to stick at overcoming inflation. According to the latest views, companies would be investing 15 per cent. to 20 per cent. more next year.

Mr. Michael Latham (C. Merton) asked about Mr. Callaghan's views on Labour proposals for nationalisation of the banks and insurance companies.

Mr. Callaghan replied that Sir Harold Wilson could be trusted to make a very detailed examination of these matters. "We shall be able to see what are the functions of the banks and how they perform and to what extent it is true that the failure of British industry to invest is related to their policies. For myself, I am not convinced that this is so."

Mrs. Margaret Thatcher, Conservative leader, said that this was what the Prime Minister had told the TUC. She wanted him to answer to the Commons on where he stood on banking and insurance nationalisation.

Mr. Callaghan, to Tory protests, replied: "I answered to the House last night and we got a majority of 13."

In reply to Mr. Ian Wrigglesworth (Lab., Thornaby), Mr. Callaghan said that the Government was about to begin discussions with the TUC on policy on prices and incomes next year.

"We shall be discussing the matter with the employers in due course. The first thing is to find out whether it is possible to get agreement on this particular approach."

"I am not without hope on this particular matter."

# PM expects improved profits

THE PRIME MINISTER yesterday spoke of the prospect of better business profits. Answering Commons questions, Mr. Callaghan said liquidity of companies had been building up in the last few months. They had more resources than a few months ago.

"I am not in the forecasting business, but I would take the view that profitability under the revised Prices Code should continue to build up."

The increase in Minimum Lending Rate was bound to have an adverse effect, but this would depend on how long the rate lasted.

Mr. Geoffrey Robinson (Lab., Coventry N.W.) complained that even before the increase in M.L.R., industry had been drawing less than 40 per cent. of the financial facilities available from the banks.

"While we welcome the intentions of the CBI next year, I don't see any reason why we don't get on with the job now," he declared.

# Government defeated again on race Bill

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE LORDS last night continued their mauling of the Community Relations Bill—again defeating the Government in the division lobbies to do so.

With Government defeats on this Bill—mostly Tory inflicted—now well into double figures, an independent peer supported by a Labour peer forced some further remodelling of this controversial legislation.

A proposal which, in effect, excluded households from the stringencies of the Bill, was incorporated into its clauses by a majority against the Government of 44 (111-67).

This followed an argument by crossbencher peer Lord Monson that within the four walls of a person's house, he had a right to be as eccentric, inconsistent and bloody-minded as he wanted to be.

Moving an amendment for this purpose to the Bill—the Race Relations Bill, until its name was changed earlier this month—Lord Monson said there should be no obligation to behave in a socially acceptable way, or conform to officially approved attitudes within the home.

But it would also mean that the discrimination law would not apply to persons providing facilities or services in their own homes—a proposal Lord Monson maintained was not biased against coloured immigrants.

The average Jamaican that he knew regarded his home just as much his castle as did an Englishman, and so did Asians, who prized the sanctity of their home as highly as any other person.

He was supported by Labour peer and former Minister, Lord Houghton. There were some things that a citizen should be permitted to decide for himself, however wrong he might be—unless he was doing wrong to others and unless his behaviour was harmful to the community, Lord Houghton said.

There was a temptation to "overkill" and provide for every conceivable eventuality in this type of legislation, he added.

Lord Wells-Pestell, for the Government, said the need to keep essential personal and intimate relationships outside the scope of the relevant part of the Bill was already provided for in the wording.

The limitation in the Bill was adequate to ensure that its provisions did not apply to exclusively private relationships.

Lord Hailsham, from the Tory front bench, said the amendment was an opportunity for the Government to show a degree of flexibility instead of providing a long exposition of how right it was.

Conservative peers were free to vote as they wished, he said.

He did not consider the matter important and the further defeat of the Government would be because of its "intransigence and stupidity."

There was a further Government defeat after Lord Hailsham moved an amendment to remove from the Bill Government powers to change its safeguards by statutory instruments or orders.

Lord Hailsham maintained that Parliament, after careful debate, had introduced the safeguards into the Bill, and the Home Secretary should not have carte blanche to remove them.

It was particularly objectionable, in Lord Hailsham's view, that these safeguards should be removable by an Order in Council which could not be amended.

Lord Harris, from the Government front bench, agreed that this was a substantial matter and the Bill did indeed give wide powers to the Minister responsible.

But these powers were needed because of the scope of the Bill, Lord Harris argued. It was obvious that new circumstances might arise, requiring the Government to make alterations to its legislation.

But in the ensuing division, the amendment Lord Hailsham proposed was approved by a majority against the Government of 63 (121-58).

# Police chiefs to submit soccer violence reports

THE CHIEF constables of the West Midlands and of Strathclyde are to submit detailed reports to the Government on the violence at last Saturday's Aston Villa-Glasgow Rangers football match, Barrow, Birkenhead, Environment Under Secretary, told the Lords yesterday.

She added: "The Home Secretary, the Minister of Sport, the Secretary of State for Scotland and the Minister of Transport, discussed last night what action should be taken following the outbreak of violence."

Apart from the police reports the Football Association was carrying out its own inquiry.

Lord Campbell of Croy (C.) said that football was not to be spoilt for millions in this country, urgent action was required by the Government, including legislation, if necessary, to provide severe penalties—fines having proved ineffective.

Lord Campbell suggested that the culprits should be made to report to the police at 4 p.m. on Saturdays and that drinking should be prohibited on buses in England as in Scotland.

Lady Bird said that supporters were normally segregated but due to repairs at the ground on Saturday this had not taken place.

Lord Paget (Lab.) suggested that the spectators were the traditional climax of the Eton-Harrow match at Lord's.

"Might not a practice ground be assigned after the match, subject to notices that the National Health Service would charge for repairs, in order to aggressive spectators could work off their aggression without affecting anybody except themselves?" he said.

Over the last year, the sentencing has been rather more severe than in the past."

Once the reports had been received, legislation would be considered, she added.

Lord Soper (Lab.) said that the availability of beer in cans added to the problem of drinking at football matches.

Lady Bird said it was really a matter for football grounds themselves not to admit people who are, on arrival, partly or wholly drunk.

Lord Lyell (C.) said that lack of segregation of Glasgow Rangers and Aston Villa supporters had led to much of the trouble at Saturday's match.

Lady Bird said that supporters were normally segregated but due to repairs at the ground on Saturday this had not taken place.

Lord Paget (Lab.) suggested that the spectators were the traditional climax of the Eton-Harrow match at Lord's.

"Might not a practice ground be assigned after the match, subject to notices that the National Health Service would charge for repairs, in order to aggressive spectators could work off their aggression without affecting anybody except themselves?" he said.

# MP seeks to keep children out of jail

A BILL to keep schoolchildren out of prison was given a formal first reading in the Commons yesterday.

The legislation would end the "callous and almost malicious fashion" in which children aged 14-16 could now be treated while waiting to appear before a court. Mr. Robert Kilroy-Glik (Lab., Ormskirk) told MPs.

Thousands of children, he said, were sent to detention establishments while on remand, or while awaiting sentence or conviction, although they could not be sent there once sentenced.

"The reason this happens is pure administrative convenience. These children are in prison because successive Governments have failed to provide adequate resources in community homes."

Of more than 5,000 children sent to prison in 1975, over 2,000 were eventually found not guilty or were given non-custodial sentences. But they had "harrowing" experiences while in prisons like Holloway.

Mr. Kilroy-Glik added: "No one can suggest it is right or proper that schoolchildren should be sent to prisons. Only the 'dramatic action' proposed in his Children and Young Persons Bill would keep children out of prison."

# Mail users attack P.O. fund deficit

BY KEVIN DONE, INDUSTRIAL STAFF

THE MAIL Users' Association attacked the Government yesterday for refusing to meet part of the massive £1.1bn. pension fund deficit faced by the Post Office.

It suggested as an immediate measure that part of the burden could be alleviated by allocating to the fund the £70m. that was earmarked for the Post Office last year to compensate for the residual effects of the period of price restraint was not taken up when the Post Office reported surprising profits last year of £148m. with only a small loss of £9.2m. on the postal side.

Mr. Michael Corby, director of MUA, said yesterday that his association deplored the Government's total rejection of its responsibility for actuarial errors made in setting up the fund. He said: "At no time has any kind of compromise solution been considered, despite the fact that all concerned with Post Office affairs have called upon the Government to accept its direct responsibility for the deficiency."

The level of annual payments made by the Post Office in recent years to cover the deficiency—which it was aiming to write off over 20 years—was made in anticipation of a sympathetic settlement with the Treasury. Last year it paid £91.6m., the equivalent of a little more than 1p for each inland letter and 0.3p an inland telephone call.

The Post Office is now studying of coal.

# Notts miners end strike

ABOUT 1,400 miners at Gedling Colliery, Nottinghamshire, who had been on strike since last week returned to work yesterday. They were given an assurance by the NUM Executive that a certain degree of pay would be returning to work at the pit.

The deputy had been involved in an underground incident last May and afterwards had been transferred to another colliery. The dispute caused a production loss of nearly 20,000 tons of coal.

# 1865. Abraham Lincoln assassinated.

Reuters correspondent hires a tug to overhaul the mail-boat departing from New York, and gets the news to England two days ahead of all competition.

125 years of fast, accurate reporting.

# Company document proposals

THE IS no immediate prospect of resuming the selective release of the postal files of documents concerning the public files of registered companies, Mr. Clifton Davis, Secretary for Trade said yesterday.

His service was suspended in November 1975, as an economy measure. But Mr. Davis added that the selective release of documents will be introduced during the complete microfiche record of the companies lodged by any company registered in England and Wales.

# Youth subsidy clarified

YOUNG PEOPLE who have an advantage of training and employment schemes sponsored by the Employment Department will not be prevented from applying for the youth placement grant subsidy which requires that unemployment shall have lasted six months.

This was made clear in a written reply by Mr. Geoffrey Robinson, Secretary for Employment, in a Commons written question.



WAITWAYS heart of the business world



# Gold Fields Group

## SEPTEMBER QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

### DOORFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 9,825,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Gold:		
Ore milled (t)	356,000	348,000
Gold produced (kg.)	3,128.0	2,991.0
Yield (g/t)	8.8	8.6
Revenue (R/1 milled)	27.35	31.8
Cost (R/1 milled)	23.13	22.4
Profit (R/1 milled)	4.20	9.4
Revenue (R'000's)	9,751	11,067
Cost (R'000's)	8,236	7,761
Profit (R'000's)	1,515	3,306
FINANCIAL RESULTS (R'000's):		
Working profit: Gold	1,495	3,274
Net sundry revenue	293	322
Profit before taxation and State's share of profit	1,788	3,596
Taxation and State's share of profit	142	821
Profit after taxation and State's share of profit	1,646	2,775
Capital expenditure	1,145	1,147
Loan levy	22	91
Loan levy refund (1968)	—	114
Dividend	—	2.4

DIVIDEND: A dividend (No. 20) of 25 cents (16.1859p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R11.7 million. The unexpended balance of authorised capital expenditure at 30 September 1976 was R3.7 million.

DEVELOPMENT: Carbon Leader

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Gold:		
Ore milled (t)	329,000	324,000
Gold produced (kg.)	1,646.0	1,737.0
Yield (g/t)	5.0	5.4
Revenue (R/1 milled)	15.57	22.1
Cost (R/1 milled)	10.43	19.8
Profit (R/1 milled)	(4.86)	2.3
Revenue (R'000's)	5,122	7,111
Cost (R'000's)	3,555	6,526
Profit (R'000's)	(1,433)	585
FINANCIAL RESULTS (R'000's):		
Working profit (less): Gold	(1,433)	585
Profit on sale of Pyrite	3	—
Net sundry revenue	199	181
Profit (loss) before taxation	(1,231)	1,066
Taxation	—	30
Profit (loss) after taxation	(1,231)	1,036
Capital expenditure	471	365
Loan levy	—	11
Loan levy refund (1968)	—	—
Dividend	—	2.3

DIVIDEND: A dividend (No. 7) of 5 cents (3.2674p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 September 1976 was R2.8 million. This sum includes estimated expenditure on certain capital projects which, in view of the present circumstances at the mine, have either been discontinued, such as the Middleveld project, or are likely to be curtailed.

APPLICATION FOR STATE ASSISTANCE: In an announcement published in the press on 12 August 1976, and as stated in the Chairman's Report dated 30 August 1976, the company's mine has been incurring working losses since June 1976 as a result of the declining level of gold production, the sharp fall in the price of gold, and the continuing increase in working costs. In view of the considerable tonnage of ore remaining in the mine which could again become payable in the event of a worthwhile increase in the price of gold an application has been submitted to the State for assistance under the South African Assistance Act. The application is presently being considered by the authorities.

In the announcement of 12 August it was stated that steps had been taken to move more workings into the limited number of high grade blocks of ore on the mine, but that it would take some time for these moves to become effective, during which period there was likely to be a further reduction in tonnage broken. The tonnage broken has taken as expected but the grade is improving and during the month of September production rose to 294 kilograms. Working costs have been contained and the level of working losses has been reduced.

STATUTORY NOTICE OF CLOSURE: As some time may elapse in negotiations State assistance, which cannot in any event be assured, the statutory three months' notice of the possible closure of the mine was given to the Minister of Mines on 11 August 1976. This does not necessarily mean that the mine will cease operations at the expiry of the three months' period.

DEVELOPMENT:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Main Reef		
Advanced (m)	1,245	1,138
Sampling results:		
S milled (t)	264	312
Slope width (cm)	120	173
Av. value, gold (g/t)	5.4	4.8
cm.g/t	1,008	691
Ventersdorp Contact Reef		
Advanced (m)	434	357
Sampling results:		
S milled (t)	164	64
Slope width (cm)	204	121
Av. value, gold (g/t)	8.5	8.5
cm.g/t	1,738	1,071

In addition, 161 metres were advanced in the Middleveld area. 22 metres were sampled on the Ventersdorp Contact Reef horizon averaging 1.6 grams per ton over an estimated slope width of 120 centimetres, equivalent to 221 cm. g.t. Development in this area was stopped on 22 July 1976.

On behalf of the board

12 October 1976 P. W. J. van Rensburg R. A. Plumbridge Directors

### DEELKRAAL GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 2,400,000 ordinary shares of 20 cents each, fully paid.

FINANCIAL RESULTS (R'000's):	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Capital expenditure	—	—
Mining lease	5,594	2,754
Shaft	4,837	5,766
Other capital expenditure	3,340	8,439
Sundry revenue	68	34
Taxation	10	23
Loan levy	9	22

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R24.5 million. The unexpended balance of authorised capital expenditure at 30 September 1976 was R2.1 million.

INCREASE OF CAPITAL AND PROPOSED OFFER OF SHARES TO MEMBERS: In a circular dated 14 September 1976 members were informed that it was proposed to make an offer, on 22 October 1976, to members registered in the books of the company on 15 October 1976, of shares to raise approximately R50 million. At a general meeting of members of the company, held on 7 October 1976, a special resolution was passed increasing the authorised capital from R5,000,000 to R14,000,000 by the creation of 22,000,000 new shares of 20 cents each, and an ordinary resolution was also passed authorising the directors to issue such new shares on such terms and conditions as they may determine. The special resolution was registered on that same day.

CAPITAL WORKS:

No. 1 Shaft: The shaft was sunk 337 metres to a depth of 1,384 metres below collar.

No. 2 Shaft: The shaft was sunk 381 metres to a depth of 1,577 metres below collar.

GENERAL: Building work has been completed on 73 houses in the township and 155 additional houses are in various stages of construction. Work is in progress on the shaft offices, cap lamp room and extensions to the hostel blocks. Good progress is being made on all other projects.

On behalf of the board

12 October 1976 P. W. J. van Rensburg R. A. Plumbridge Directors

### KLOOF GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 26,240,000 ordinary shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Gold:		
Ore milled (t)	375,000	371,000
Gold produced (kg.)	4,528.1	4,251.1
Yield (g/t)	12.0	11.4
Revenue (R/1 milled)	38.14	35.74
Cost (R/1 milled)	24.61	23.05
Profit (R/1 milled)	13.53	12.69
Revenue (R'000's)	14,464	14,908
Cost (R'000's)	9,528	8,821
Profit (R'000's)	4,936	6,087
FINANCIAL RESULTS (R'000's):		
Working profit: Gold	5,136	6,285
Net sundry revenue	302	474
Profit before taxation and State's share of profit	5,438	6,759
Taxation and State's share of profit	465	1,382
Profit after taxation and State's share of profit	4,973	5,377
Capital expenditure	3,302	3,250
Loan levy	312	—
Dividend	—	6.55

DIVIDEND: A dividend (No. 15) of 25 cents (16.1859p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R13.8 million. The unexpended balance of authorised capital expenditure at 30 September 1976 was R3.1 million.

DEVELOPMENT:

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976	9 mths ended 30/9/1976
Gold:			
Ore milled (t)	175,000	177,500	517,500
Gold produced (kg.)	824.5	824.5	2,426.5
Yield (g/t)	4.7	4.7	4.7
Revenue (R/1 milled)	10.61	10.61	31.82
Cost (R/1 milled)	16.02	16.02	48.06
Profit (Loss) (R/1 milled)	(5.41)	(5.41)	(16.24)
Revenue (R'000's)	1,865	1,882	5,742
Cost (R'000's)	2,809	2,850	8,240
Profit (Loss) (R'000's)	(944)	(968)	(2,498)
FINANCIAL RESULTS (R'000's):			
Working profit (less): Gold	(944)	(968)	(2,498)
Net sundry revenue	101	97	285
Profit (Loss) before taxation	(843)	(871)	(2,213)
Taxation	6	33	121
Profit (Loss) after taxation	(849)	(838)	(2,092)
Capital expenditure	3	1	31
Loan levy	1	1	1
Loan levy refund (1968)	—	—	—
Dividend	—	—	—

DIVIDEND: A dividend (No. 86) of 7 cents (4.5143p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: There were no capital expenditure commitments at 30 September 1976.

STATUTORY NOTICE OF CLOSURE: In an announcement published in the press on 2 September 1976, members were informed that, in view of the working losses incurred since June 1976 as a result of the decline in the price of gold, it had been decided to give three months' notice of cessation of mining operations to the Minister of Mines. This does not mean that mining will necessarily cease at the end of the three months' period, but it will permit the company to take any necessary action at short notice. The present indications are that it will be possible to continue mining until about the end of March 1977.

DEVELOPMENT:

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976	9 mths ended 30/9/1976
Gold:			
Ore milled (t)	472,000	469,000	1,391,000
Gold produced (kg.)	9,337.9	9,061.7	26,478.4
Yield (g/t)	19.8	19.3	19.3
Revenue (R/1 milled)	61.65	67.50	64.32
Cost (R/1 milled)	20.57	20.57	20.40
Profit (R/1 milled)	41.08	46.93	43.92
Revenue (R'000's)	28,756	31,634	89,770
Cost (R'000's)	9,379	9,149	27,152
Profit (R'000's)	19,377	22,485	62,618
FINANCIAL RESULTS (R'000's):			
Working profit: Gold	19,377	22,485	62,618
Net sundry revenue	1,384	1,315	3,522
Profit before taxation and State's share of profit	20,761	23,799	66,140
Taxation and State's share of profit	7,883	9,225	23,775
Profit after taxation and State's share of profit	12,878	14,574	42,365
Capital expenditure	1,799	1,750	5,325
Loan levy	89	89	267
Dividend	—	—	19.73

DIVIDEND: A dividend (No. 8) of 35 cents (22.6377p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R21.7 million. The unexpended balance of authorised capital expenditure at 30 September 1976 was R2.8 million.

DEVELOPMENT:

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976	9 mths ended 30/9/1976
Gold:			
Ore milled (t)	472,000	469,000	1,391,000
Gold produced (kg.)	9,337.9	9,061.7	26,478.4
Yield (g/t)	19.8	19.3	19.3
Revenue (R/1 milled)	61.65	67.50	64.32
Cost (R/1 milled)	20.57	20.57	20.40
Profit (R/1 milled)	41.08	46.93	43.92
Revenue (R'000's)	28,756	31,634	89,770
Cost (R'000's)	9,379	9,149	27,152
Profit (R'000's)	19,377	22,485	62,618

In addition, 783 metres were advanced in the area held under prospecting permit. 149 metres were sampled on the Ventersdorp Contact Reef horizon averaging 1.6 grams per ton over an estimated slope width of 220 centimetres, equivalent to 220 cm. g.t.

CAPITAL WORKS:

No. 1 Sub-Vertical Shaft: The shaft rock-pass system has been completed and the installation of this is in progress. Development from this shaft is due to commence during October 1976.

No. 3 Shaft (Electrical Extension): The shaft was sited 154 metres to a depth of 290 metres below collar on 14 Level. The support of 24 Level station is in progress.

On behalf of the board

12 October 1976 P. W. J. van Rensburg R. A. Plumbridge Directors

### WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14,082,100 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Gold:		
Ore milled (t)	627,000	604,000
Gold produced (kg.)	14,168.0	14,382.0
Yield (g/t)	22.6	23.8
Revenue (R/1 milled)	78.57	74.23
Cost (R/1 milled)	21.91	20.84
Profit (R/1 milled)	56.66	53.39
Revenue (R'000's)	46,822	44,941
Cost (R'000's)	13,517	12,589
Profit (R'000's)	33,305	32,352
FINANCIAL RESULTS (R'000's):		
Working profit: Gold	33,305	32,352
Profit (Loss) on sale of Uranium Oxide and sulphuric Acid	(364)	1,706
Net sundry revenue	2,483	2,500
Profit before taxation and State's share of profit	35,421	36,558
Taxation and State's share of profit	10,719	12,024
Profit after taxation and State's share of profit	24,702	24,534
Capital expenditure	3,642	4,471
Loan levy	2,007	2,206
Loan levy refund (1968)	—	60
Dividend	—	20.11

DIVIDEND: A dividend (No. 47) of 145 cents (92.9541p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R19.7 million. The unexpended balance of authorised capital expenditure at 30 September 1976 was R2.1 million.

PRODUCTION: The elimination of low grade dump tonnage has resulted in a drop in tonnage milled and an increase in yield.

DEVELOPMENT:

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Carbon Leader		
Advanced (m)	3,123	2,871
Sampling results:		
S milled (t)	378	382
Slope width (cm)	106	768
Av. value, gold (g/t)	35.3	15.2
cm.g/t	3,785	1,322
Ventersdorp Contact Reef		
Advanced (m)	1,386	1,339
Sampling results:		
S milled (t)	456	571
Slope width (cm)	176	116
Av. value, gold (g/t)	7.0	4.7
cm.g/t	1,322	627
Main Reef		
Advanced (m)	696	352
Sampling results:		
S milled (t)	228	72
Slope width (cm)	357	172
Av. value, gold (g/t)	4.2	2.5
cm.g/t	1,499	344

On behalf of the board

12 October 1976 A. Louw R. A. Plumbridge Directors

### LIBANON GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 7,911,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 30/9/1976	Qtr. ended 30/6/1976
Gold:		
Ore milled (t)	345,000	317,000
Gold produced (kg.)	2,554.8	2,544.4
Yield (g/t)	7.4	8.0
Revenue (R/1 milled)	21.43	21.32
Cost (R/1 milled)	20.01	18.7
Profit (R/1 milled)	1.42	2.62
Revenue (R'000's)	7,398	6,751
Cost (R'000's)	6,369	5,978
Profit (R'000's)	1,029	773
FINANCIAL RESULTS (R'000's):		
Working profit: Gold	1,029	773
Net sundry revenue	276	274
Profit before taxation and State's share of profit	1,305	1,047
Taxation and State's share of profit	—	187
Profit after taxation and State's share of profit	1,305	860
Capital expenditure	1,282	1,282
Loan levy	—	141
Loan levy refund (1968)	—	104
Dividend	—	3.75

DIVIDEND: A dividend (No. 51) of 40 cents (25.5201p) per share was declared on 3 June 1976 and was paid to members on 10 August 1976.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R6.7 million. The unexpended balance of authorised capital expenditure at 30 September 1976 was R1.8 million.

PRODUCTION: Production was adversely affected by an underground fire which broke out in low grade Ventersdorp Contact Reef area at the Harrow-Wait Shaft on 2 September. In order to contain the fire in a limited area, it has been necessary to seal off the whole southern Ventersdorp Contact Reef area. This has adversely affected both tonnage milled and recovery grade. It is expected that it will become possible to resume stoping in this area during October. A claim for loss of profits will be submitted to the company's insurers in due course.



# The Management Page

Adrian Hamilton reports how American businessmen put the Prime Minister, the CBI and TUC through a day of tough questioning

## Private answers to issues of public confidence

WHEN THE American Chamber of Commerce in London invited the British Government to answer questions at an all-day seminar on investment in the U.K. last week, it was not to praise the bicentennial relations between the two countries but to express some very considerable concern about the U.K. business climate.

"We very much respect what your Government has done on wage control and on recent economic policy," said a U.S. executive from the floor when the Prime Minister asked for questions, "but what we worry about is whether you can hold your Left and what you are going to do about nationalisation of the banks."

"That," replied Mr. Callaghan gently, "is my problem not really yours."

"But it's our money not yours," muttered an American banker beneath his breath.

### Investment climate

Such an interchange raises the issue of how worried American business is about the investment climate in Britain and how real the U.S. businessman's constant obsessions are with the political drifts of British Governments and the endless flows of new legislation.

The British Government fielded a contingent of Ministers—including the Prime Minister, with Mr. Eric Varley, Industry Secretary, Mr. Joel Barnett, chief secretary to the Treasury, Mr. Harold Walker, Minister of State at Employment, Dr. J. A. Cunningham of the Energy Department and a number of high-ranking civil servants plus

Lord Watkinson of the CBI and Mr. Len Murray of the TUC. The object was precisely to calm those fears and to explain that the face of the Labour Government was quite acceptable.

But the fact that it felt it necessary to present such a team is an indication of the seriousness with which even a Labour Government—or maybe especially a Labour Government—has to take the thought of U.S. investment being withdrawn from Britain.

The reasons are clear enough. Despite Britain's membership of the European Community, the U.S. remains by far the most important trading partner with the U.K. and by far the most important single source of inward investment. The direct capital stake of U.S. companies in Britain has grown at twice the rate of GDP in the last two decades, and now accounts for something like 12 per cent of British manufacturing output, 9 per cent of the country's employment, and some 16 per cent of British manufacturing exports.

According to recent surveys, U.S.-owned companies in Britain tend to be concentrated more on higher-technology and to be rather more efficient than average British industry. But recent surveys also suggest that American investment is increasingly tending to go to other parts of Europe rather than to the U.K.

The course of future expenditure by U.S. companies in Europe will ultimately be decided not so much by emotion as by the hard facts of future growth rates in the U.K. economy as a whole, comparative labour costs and productivity trends, tax incentives, and political instability.

But investment is still partly a matter of confidence so at least the seminar gave a clear indication of what is worrying American businessmen in Britain. Time and time again, the questions came back not to macro-economic policy.

Americans are curiously polite when it comes to questioning fundamentals in a foreign land—but to the burden of taxation on management, the reputation for poor industrial relations, the political uncertainties over planning agreements, nationalisation, participation in the North Sea, and the need for an atmosphere which encourages investment.

And time and time again the Government came back to point out the improvement in the strike record, the high degree of investment incentives offered and its determination to give priority to industry.

What was fascinating about these exchanges was the cultural gap it revealed between American business attitudes and those in Britain. If this had been a meeting with British industry it would have been full of moans and groans about the Government, with constantly reiterated pleas for the State to do more to help companies.

### Removal of obstacles

As it was, what the audience and businessmen panels during the day were asking for was the removal of obstacles, not additional help. The Americans really do believe in incentives and the ability of business to produce the goods if left alone to their task. It could have been easily pointed out that, on personal taxes at least, U.S. executives here are well protected. It is only their U.K. colleagues that suffer.

But Americans do seem to worry about this. And because

they do still believe in the profit motive, they find it difficult to understand, or at least feel easy in, an atmosphere where the profit motive is admitted in private but not in public.

This is precisely what happened at the seminar. The proceedings were not reportable in detail so the Government Ministers were continually asked to give a friendly shrug and say that the criticisms or questions were absolutely right but that the audience had to understand the political limitations of what could be done. And in this the Ministers were backed by the CBI representative, who sat with the Government members on the panels ("Is the CBI an arm of Government?" asked my next neighbour who either knew too little or rather too much about the situation.)

So while Ministers said that they felt that tax rates on executives were ridiculously high, that the tax system was too complicated and productivity was too low in the country, and that much of North Sea legislation had more bark than bite they equally said they could see little that could be done about it.

This the audience accepted and a number of them expressed respect for what the Government had done so far. But they remained puzzled as to how private re-assurances could be made to counteract the public statements and proceedings of party conferences.

A senior civil servant cynically commented in private that the only way to re-assure U.S. businesses was to "go over there to the corporate headquarters and tell them to take no notice of Ministers." This may be true. But then maybe it is this gap between what is said in public and private that is at the root cause of U.S. business worries over Britain at the moment. And it is their problem as much as the Prime Minister's.



"THE CIVIL servants almost reeled with horror," said Frank Metcalfe, the tall, former teacher who is the director of the Engineering Industry Training Board. He was recalling a visit which a deputation from his industry made not long ago to the Department of Education and Science's London headquarters near Waterloo Station.

The deputation was worried about the miserably low interest among the nation's scholastically more successful youth in studying engineering and technology at universities and polytechnics. Talk of 30,000 unfilled places in such subjects gives point to this worry, especially at a time when a fruitless search for employment by thousands of school-leavers coincides with a fruitless search by a good many employees for graduate recruits in engineering and technology.

What the deputation took to the Education Department was a proposal to revive the ailing student interest by financial incentive. The idea was not for Government to find more money, nor to risk upsetting the educational lobby by making student grants vary according to subject—as well as, to parents' income. The deputation wanted only a change in the regulations so that, if a student were to be given an extra grant from some external source, the money would not be deducted from the award that would otherwise be forthcoming from taxpayers' funds.

If that change were allowed, the engineering industry would then finance scholarships each worth several hundred pounds a year, in the hope of attracting more youngsters into subjects appropriate to that industry.

As Frank Metcalfe said, the Education Department's officials seemed to think the proposal offensive. But its Secretary of State, at the time Mr. Fred Mulley, apparently found the idea interesting and said he would consider it, which encouraged the deputation. Since then, of course, Mrs. Shirley Williams has taken over as Education Secretary, and the engineering deputation is preparing itself to return to

## The manpower mismatch in manufacturing industry

BY MICHAEL DIXON

Waterloo for a repeat performance. Possibly Mrs. Williams will be sympathetic. But, alas, even if she is, it is probably already too late for the scheme to be launched and have any effect on student choice for 1977.

The Prime Minister, to judge by his speech at the Labour Party Conference, views the aloofness of youngsters to economy-related studies as a basic national problem. So he might well be interested in this example of administrative dilly-dallying.

If so, however, he should look not only at it, but beyond it. Because even had the Education Department officials taken up the engineering industry's offer, they would have been merely treating one of the more obvious symptoms of a malaise which bedevils the best efforts of the costly training sector, of which Mr. Metcalfe and his Board are but a single—although instructively clear—example.

The malaise, while much influenced by the proclivities of higher educational institutions, is far more widely and deeply spread.

"Put it this way," Frank Metcalfe said, "I'm starting from the assumption that this country has to earn its living, and wants a better living for everyone in it. That's why we training people can only work with the human raw material that reaches us. Now, Science and Technology. The education system to follow up it could be that the way we educate young people isn't good for a lot of them, or that the different types of teaching that

advantage of the way they are educated, or more probably some of both. But whichever way the blame is apportioned, there's a hell of a mismatch, and we desperately need something done about it."

The EITB chief executive is ready to agree that part of the something that must be done is up to employing concerns. Manufacturing industry is bad at projecting itself, for one thing. And in his view, any engineers are not given anything like the status that their work importance, of their work deserves.

used on them in their schools had had on their subsequent performance in industry.

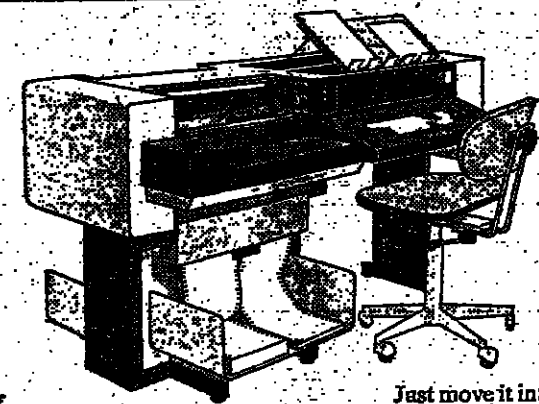
The Board had already found that, in learning to do a skilled job, a youngster needs not only "manipulative skills" including those of reading and arithmetic, but also "diagnostic and planning skills" in order to decide what best to do and in what sequence. "The manipulative skills seem relatively easy to teach and acquire, particularly when the student is motivated," said Muriel Venning, the EITB's research expert, "but how to teach and learn planning and diagnostic skills is a more difficult question. For instance, almost every girl will pick up enough skill in manipulating figures to know whether or not she's being cheated when she does her shopping. But learning how to plan her weekly budget is a problem of an altogether different order."

The indication from the Chelsea research, not yet published, is that the trainees with the better planning and diagnostic skills tended to come from schools which used innovative teaching methods; in particular those involving practical work such as building one's own apparatus in order to carry out scientific experiments.

One piece of research like this is far from conclusive. But the doubt it casts on the efficacy of the heavy emphasis this country's education system places on academic study, surely makes it only sensible for the Chelsea findings to be checked more widely and, if substantiated, developed as a matter of priority.

Of particular point here is a research study recently sponsored by the EITB, and carried out by Chelsea College of Science and Technology. The study set out to examine a large sample of engineering trainees and to try to assess what effects make it do so. And who better industry isn't geared up to take the different types of teaching than the Prime Minister?

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### BUSINESS PROBLEMS BY OUR LEGAL STAFF

#### Falling foul of Rent Acts

I own a small hotel and I would like to let off rooms on a semi-permanent basis. Payment would be weekly and the bed linen changed. I intend to leave a lounge for general use but not to provide any food. Instead I proposed to install a small kitchen unit in each room.

Can you let me know if such an arrangement is likely to fall foul of the Rent Acts in respect of security of tenure and rent charges. If so, would an offer to provide food make any difference?

We think that what you propose is likely to be construed by the Court as creating tenancies which fall within the Rent Acts. The provision of food would make a difference, so long as the service available is a genuine one. Before entering into contracts with your hotel guests it would be advisable to consult a solicitor who can consider the particular facts appertaining to this particular venture and draft your contracts accordingly.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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Controversy about the current cost accounting system of the Sandilands Committee is coming to a head. Michael Lafferty reports.

# Accountancy profession at a crossroads

THE BRITISH accountancy profession will publish its very own set of accounting (CCA) standards this week. The ideas of the Sandilands Committee, which have been under development for some time, are being put forward. If they are accepted, they will be a landmark in the history of accountancy. The whole venture could be in jeopardy, however, if the proposals are not well received.

The accountancy profession has been in a state of flux for some time. The arguments in favour of the CCA are compelling. It should provide companies with realistic information about their financial position. It would also encourage higher rates of investment by identifying those companies which are not reinvesting at least as much as they are providing by way of depreciation in their CA accounts. This would help to bring about a clearer understanding of the lack of industrial investment in the U.K.

The Morpeth proposals. Like the Morpeth Group it has reached general agreement on applying current cost accounting to non-monetary items—fixed assets, depreciation, stocks and work-in-progress—and to deferred tax. But neither Morpeth nor the ASC has reached agreement on the treatment of monetary items—such as cash, debtors, creditors and borrowings. Furthermore there appears to be no prospect of any change in this situation. A similar position applies to the proposed supplementary statement in which a company's performance is to be compared with movements in the index of Retail Prices.

reports for credit control purposes. The Accounting Standards Committee has a choice of how it should present the CCA exposure draft document on November 30. It can either publish a comprehensive CCA system covering most items in company accounts as Morpeth recommends, or it can advance on a limited front by dividing the Morpeth system into two

depreciation, and revised standards on stocks and deferred tax. Then, to all intents and purposes, we would have current cost accounting. The other areas could be reviewed over time and most companies would not be critically affected, though to the banks and other financial institutions they would, of course, be crucial.

Mr. Douglas Morpeth's Group has done a praiseworthy job in testing the practicality of CCA but its deliberations have served to highlight the areas of disagreement on the subject rather than to resolve the differences.

The basis of the Sandilands Report was that companies should maintain "the substance of their business." But to-day over one year after the report was published, there is still no agreement on what that means. Is it the shareholders' funds that have to be maintained or, as Sandilands suggested, the physical assets of the company?

## WHERE THE DEBATE STANDS NOW

AREAS OF AGREEMENT	AREAS OF DISAGREEMENT	STILL UNDER DISCUSSION
Non-monetary items: Fixed assets Depreciation Stocks and work-in-progress Cost of sales adjustment Others Deferred tax	Monetary items: Cash Debtors Creditors Loans Others The Supplementary Statement comparing a company's performance with the Retail Price Index	The layout of the profit and loss account Goodwill Consolidated accounts Investments Assets recorded in foreign currencies Leased assets

## Confusing

To-day, the Standards Committee is due to debate the current cost treatment of several areas which have not yet even been considered under the historic cost system. These include goodwill, consolidated accounts, investments, assets recorded in foreign currencies, and leased assets. But since there is as yet no accepted position over how to treat these items on an historic cost basis, there is unlikely to be any general agreement on a CCA basis either.

All this strongly suggests that the CCA proposals prepared by the Morpeth Group are so comprehensive that, while substantial agreement may be possible on many of them, others remain highly controversial and will require continued discussion.

The ASC's Corporate Report, published last year which appears to have found considerable favour with the Government, emphasises that annual company reports are used by a wide range of people, including

"profit" figures, all purporting to give the "true and fair view" as required by the Companies Acts.

This will present the public with a highly confusing picture. But the problem does not end there. Under the Morpeth system, CCA would be introduced gradually over five years starting in 1979 with major companies and embracing in the end even the local sweet-shop.

Since the ASC has already agreed to delay implementation of CCA for one year, some companies will remain as historic cost for a very long time; some will be on CCA; and some smaller companies no doubt will choose whichever system best suits their purposes.

This would be very confusing for example, to trade unions in wage bargaining, and to bankers who have to analyse company

parts: the non-monetary items and deferred tax, on which there is general agreement, and the remainder of the recommendations which could be in the form of a discussion paper. After all, most of the remaining recommendations would cover matters not fully discussed in the Sandilands Report, especially the critical issue of monetary items.

## Non-monetary

The great danger is that if the comprehensive package is published it could justifiably be opposed on the grounds that too many issues are still unresolved and that the accountancy profession itself is in any case split down the middle on the whole subject. This could lead to rejection of the whole system simply because certain parts

## Stock figures

Because it has been unable to agree on a definition of "the substance of the business" the Morpeth Group has been unable to define distributable profits. It is this which is at the root of the failure to agree on the treatment of monetary items.

Up to now the Morpeth Group has tried to find a compromise as a way round these major differences but unless the ASC makes substantial changes before the exposure draft is published, they will become apparent after publication when the opponents of CCA make their position known in December.

The simplified approach could also allow for some flexi-

## The case for the rapid introduction of a generally acceptable inflation accounting system, to bring realism into company accounts which have been made almost meaningless by inflation, is as powerful as it was when the Sandilands Committee was appointed. For the accounting profession, the right policy may be to agree on a partially incomplete system which can be implemented quickly, rather than to engage in prolonged argument which would increase the present confusion and perhaps eventually lead to the imposition of an inflation accounting system by the Government.

## ABBREVIATIONS

CCA—current cost accounting  
ASC—Accounting Standards Committee  
CPP—current purchasing power  
LIFO—last-in-first-out

Government may find it necessary to step in again. This would be a disaster for the British accountancy profession, which still has a reputation second to none internationally, and it could well mean the loss of some of its ability to regulate its own affairs.

The decisions which must be made before the end of October are therefore of crucial importance. The Accounting Standards Committee is now considering

## Letters to the Editor

### Try objective assessment

It is a sad fact that the current cost accounting system is being introduced in a haphazard manner. The Sandilands Committee has been set up to investigate the need for a new system, but its work has been hampered by the lack of a clear objective. The committee should have been given a clear mandate to assess the need for a new system, and to recommend a system which would be both fair and realistic. The current system is based on historic costs, which is a distortion of the true picture. The new system should be based on current costs, which would give a more accurate picture of the company's financial position. The committee should have been given the authority to recommend a system which would be both fair and realistic, and to implement it as soon as possible.

Leading Rate has been raised to 15 per cent, which not only affects many individuals who have overdrafts and mortgages, but makes it increasingly expensive and difficult for industrial and commercial companies to invest in plant, equipment and new projects. And surely it also adds to inflation at a time when one of our top priorities is to reduce our rate of inflation.

It is now a question of our national economic survival and as the value of the £ has responded so little to the increased M.R. that other objectives have been achieved. Is it not now becoming more and more apparent that adjustments by the Bank of England are having little effect on the rate of inflation and that the real problem concerns the policies of the present Government?

If a positive statement were to be made that no more money was to be spent on fruitless nationalisation, I am sure that the value of the £ would rise appreciably overnight and we might be set on a better course. The dogmatic insistence on the present policies is surely one of the main factors affecting confidence abroad, and for that matter at home also.

### Staggering on

From Mr. N. Buckland  
Sir—Elementary economics teaches that at the depths of the business cycle interest rates are low when investible funds exceed investment opportunities, and at the peak of the cycle interest rates are high when there is a shortage of investible funds. Presently, when we should be at the bottom of the cycle, interest rates are phenomenally high. This is due entirely to the overwhelming need of the Government to attract funds at any price to meet its excesses. Thus the Government has overthrown the natural balance of the economy and finally destroyed any remote chance of economic recovery. Until the Government can see that its priorities are entirely wrong we can only expect to stagger from crisis to crisis.

### The young and unemployed

From Mr. S. Kennedy  
Sir—Apologies Mr. Collins letter (October 9) regarding the problem of unemployed school leavers; there is another aspect of this problem which deserves nationwide exposure and appropriate Government action. I am a director of a retail shoe shop in the West End of London. We require the services of a young school leaver to be trained in our man's department. Accordingly, we advertised for such a person in the London Evening Standard, and notified the local employment exchange, as well as two other independent employment agencies, of our requirements. The salary offered was £25 per week, which I would have thought was not bad for a 16 year old. We did not have one applicant for the job.

job, a school leaver is financially better off on the dole. If not, unemployed youngsters have the ambition to start a career at £28 per week then it is a grim prospect for his own future and for that of the country. It is a typical example of how the idealism sought in the 1950s has become utterly ridiculous and grossly abused by a great many people.

S. F. Kennedy  
Lansdowne, 10, The Avenue, Dallington, Northampton.

### Just for the record

From Sir Joseph Hunt  
Sir—Mr. Jack Jones gets too much of his own way. Bad for the country. It is not doing him any good either. Your report (October 2) of his article in the Recorder is the case in point. Mr. Jones knows that neither the Sterling crisis nor the lack of investment are due to "politically motivated men in high finance." His members may not. The news may not have reached Mr. Jones' imperial heights but the anger and humiliation in the home, on the shop floor and elsewhere throughout this country are more closely identified with the failure of social, economic and political policies of which Mr. Jones is main architect than with anything else. The education of Mr. Jones has been an expensive business for the British people. Let them now be spared the trick of naming scapegoats. It has been done before—to blacken the pages of history.

Joseph A. Hunt  
16A, Ampton Road, Edgbaston, Birmingham.

### Solar energy costs

From Mr. J. Chapple  
Sir—Mr. Silver's letter (October 9) in response to Mr. Tomkins's of October 5 presumes too far on the arithmetical (not to say mathematical) capabilities of your readers. Let readers judge for themselves whether Mr. Silver or Mr. Tomkins is more likely to be right. It is well known that the average household uses some 35 gallons (350 lb) of hot water each day. At 125° F, water is as hot as you can bear, so to reach this temperature it must be raised through about 60° F from cold. The heat input to this quantity of water at this temperature is: 350 × 60° F = 21,000 BThU (1 BThU is the heat required to raise 1 lb of water through 1° F). A well-lagged 50-gallon hot water tank loses about 6,000 BThU daily according to experiments carried out with mine, so that in total, 27,000 BThU per day is enough energy for domestic hot water in most households and this will also heat the airing cupboard.

What should this cost? Using our immersion heater (3 kW) for 24 hours per day costs 18p at the current all-in price per kWh of 2.1p, which is what we pay. The equivalent of the 74 kWh used is 25,800 BThU (3,410 BThU = 1 kWh). The cost of 27,000 BThU provided in this way is about 17p. If we use our gas boiler instead of the immersion heater, it so happens that the cost is almost exactly the same. In this case, our experiments have shown that the average daily usage of gas is 1.44 cubic feet inclusive of gas cooking and nearly 1.35 cubic feet without the cooker. At our current all-in gas price of 13.5p per cubic foot, our hot water needs again cost around 17p per day. So the annualised cost of all the hot water most families need should be not more

### Freedom of trade

From The Prospective  
Parliamentary Liberal Candidate, Lewisham, South.  
Sir—Our national economic crisis is so fundamental that it will not be solved by the current credit squeeze; nor would a change in the relevant seating positions of the Government and Opposition Front Benches really contribute much to our sad situation. The truth is that with the collapse of international confidence in the pound we are now reaping the bitter harvest of half a century of misguided protectionist policies.

The people of this country must now appreciate that Government policies which attempt to provide special privileges for certain sections of the community (for example, farmers, workers in the motor industry) are ultimately detrimental to the community as a whole. Government intervention, whether in the form of subsidies or import controls will only make matters worse in the long run.

Our economic recovery will only begin when we have a Government which is capable of taking an axe to the whole apparatus of State intervention and will restore freedom of trade such as we have not had since 1915.

Michael Minter  
38, Great Thrift, Pats Wood, Kent.

### Lack of skill

From Mrs. J. Lee  
Sir—I refer to the article you published by Mr. B. W. Canning, headed A Wasteful Lack of Skill (October 11). May I congratulate you on bringing to the fore, and to the notice of the public, the fact that it is impossible to teach shorthand and typewriting skills without a good basic standard of English grammar and spelling. Learning the typewriter keyboard and shorthand—along with the accompanying speeds—is of very little commercial use unless the person is able to transcribe into reasonable language.

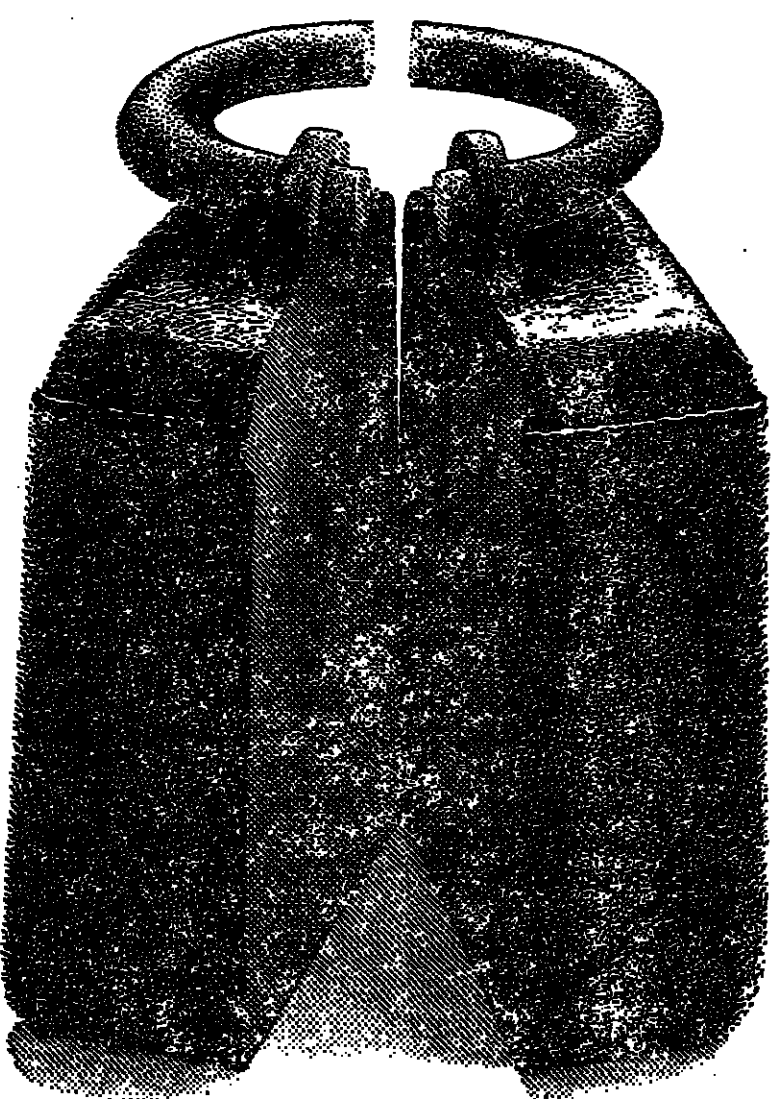
After taking the course up to teaching diploma standard, I decided to remain in my own secretarial career, rather than try to teach business skills to those who have not a sound base of English to build on. At the night school where I was taught shorthand, I was taking the Dip-Ed course, some of the youngsters in their last term at school were allowed to come to the class. It was this experience where I found that literally the 15-year-olds hardly knew the beginning and end of a sentence, that made me realise how difficult the task would be. Certainly there is little satisfaction in the output from a teaching point of view.

J. Lee (Mrs.)  
32, Thingwall Hall Drive, Broad Green, Liverpool.

## To-day's Events

**GENERAL**  
TUC Economic Committee meets, Congress House.  
National Coal Board and National Union of Mineworkers meet on pensions, Grosvenor House, W.  
Mr. Sandy McDonnell, president of McDonnell Douglas, U.S., continues talks in London.  
Cumbria Planning Committee considers nuclear waste reclamation proposals for Windesore, Kendal.  
London Chamber of Commerce and Industry economic affairs committee meets. Mr. Alan Williams, Minister for Industry, to discuss problems of small and medium sized firms in London and the South East.  
Maritime conference of International Labour Organisation opens in Geneva.  
Mr. John Methven, director general of CBI, speaks at Northern Region annual dinner.  
Financial Times conference on Australia in the World Economy continues in Sydney.  
**PARLIAMENTARY BUSINESS**  
House of Commons: Health Services Bill, report and third reading.  
Commons Select Committee: Subject: Commodity Prices. Witnesses: Tea Trade Committee and Coffee Trade Federation.

**OFFICIAL STATISTICS**  
Building Societies' receipts and loans (September).  
**COMPANY RESULTS**  
Empire Stores (Bradford) (half-year).  
**COMPANY MEETINGS**  
Helical Bar, St. Ermin's Hotel, S.W. 12.15. Nigerian Electricity Supply, Management House, Parker Street, W.C. 12. Pico, Winchester House, E.C. 12. Steinberg, Grosvenor House, W. 12 (Waring and Gillow, Sheffield, 12. Warner Holidays, Café Royal, 68. Regent Street, W. 12.



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# COMPANY NEWS + COMMENT

## Bowthorpe midway upsurge to £2.59m.

FIRST HALF 1976 turnover of Bowthorpe Holdings increased from £11.6m. to £12.1m. and pre-tax profit advanced from £1.5m. to £2.59m.

And the directors anticipate that the progress made will be continued for the remainder of the year. For the year 1976 turnover was £24.36m., and profit £3.96m.

With the exception of Heller-mann Cigarettes, where losses continue but at a lower level, the group's subsidiaries and divisions at home and overseas are all operating profitably, they state. Earnings per 10p share for the half year increased from 2.1p to 3p, and the interim dividend is raised from 0.61p to 0.67p net. Last year's total was 1.32p.

**comment**  
Without the doubled profit from associated companies, Bowthorpe's 43 per cent. pre-tax jump would have been whittled down to 35.3 per cent. against a turnover up 30 per cent. A good half of both are now coming from overseas, a vital factor for a company specialising in components for the electric supply and electronic industries which are suffering a slump at home. A further plus point comes from the reduction of losses on Heller-mann Cigarettes, apparently running at about half last year's £370,000. Liquidity is still high so the company is actively looking for acquisitions which could tie in with its own export outlets and, in addition it is planning a £450,000 investment in plant and machinery in one overseas division. But that is for the future. The half-term figures would tend to indicate that year-end profits could be as high as £5.1m. giving a prospective p/e of 5 at 31p on a prospective dividend yield of 7.4 per cent.

**W. Canning first half recovery**

TURNOVER OF electrical and mechanical engineers, W. Canning, increased from £10.2m. to £11.97m., and pre-tax profit recovered from £495,000 to £605,000 in the first half of 1976. For the year 1975 turnover was £20.32m. and pre-tax profit was £1,144,187 to £963,000. Trading conditions in the U.K., particularly on the manufacture of capital plant, remain difficult but exports are encouraging, the directors state.

However, unless there is a significant downturn in business

### HIGHLIGHTS

Burmah Oil's half-time figures show an increase in the rate of losses, with the tanker side continuing to drain the group. But a statement from BP shows that it is increasing production rates in the Forties Field. Interims from Associated Biscuits show increased profits thanks to strong performance overseas which has offset a poor performance at home. Lex also comments on the delisting of Teacher's shares at the request of the company ahead of an expected take-over. Elsewhere, loss elimination at Dupont plus stock profits and cost reductions should help the group reach £10m. profits this year—at the half-way stage it had reached £4.6m. Restructuring at W. Canning has helped produce a better interim performance.

they expect that the progress achieved will be maintained in the second half.

A major capital expenditure programme has started, financed by a 10 year loan from Barclays Merchant Bank, aimed at increasing capacity and productivity. The benefits will not be seen until future years, the directors add.

Earnings per 25p share for the half year increased from 2.5p to 2.9p. An unchanged interim dividend of 0.44p net is declared—last year's total was 2.5p.

**comment**  
Canning's better margins reflect the benefits of the group's restructuring and tighter management control. There were also some price increases that made up for the absence of real volume improvements in sales. The underlying trend in profitability was seen most in the materials division, which accounts for about two-thirds of profits. The Australian company brought in a slightly higher contribution, too. The danger now for margins is the rising trend in commodity prices, for Canning does not buy forward and is unable to reflect all higher raw material costs in its own prices. But, given a reasonably full order book and additional profits of perhaps £50,000 from Water Management, full-year profits could come out at £1.17m. for a prospective p/e of 5.7 at 30p. Maximum yield of 16.4 per cent. is almost double the industrial sector average.

**J. Makin downturn to £0.36m.**

ON AN increased turnover of £9.41m., against £8.49m., pre-tax profit of J. and J. Makin Paper Mills contracted from £574,181 to £36,000 in the first half of 1976. The business is that of metal stockholders and perforators. The interim dividend is effectively raised from 2.4p to 2.94p net per 25p share—earnings were up from 7.7p to 8.9p—and the directors expect to maintain the final at 3p.

The low demand experienced during 1975 continued into the first quarter of 1976; but full advantage was taken of a sharp improvement in demand in the second quarter, says the chairman, Mr. Fane Vernon.

**comment**  
Ash and Lacy's first-half profits are a third higher before tax with the fastest growth having come in the second quarter, a good performance considering that demand for steel by British industry slipped by 4.5 per cent. during the April-June period. Galvanising continued to make most of the headway but the group also saw a significant rise in the contribution from its Siddons sheet steel side which was operating at full steam for the first time. This, however, did bring in a good deal more low margin business—hence the 20 per cent. fall in pre-interest margins. At the same time the group's balance-sheet is still strong with borrowings no more than about a quarter of net worth and with earnings per share of at least 17.5p in prospect for the full year, for a prospective p/e at 86p of 4.7, and a yield of 11 per cent., the shares seem firmly based.

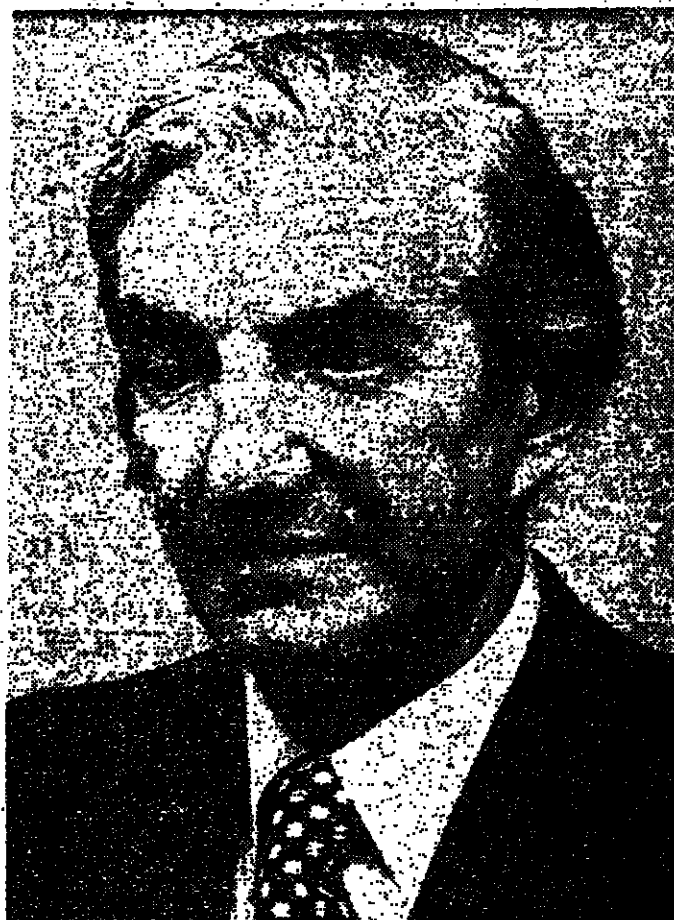
**Further progress by Cable Trust**

GROSS revenue of Cable Trust improved from £3.74m. to £7.6m. in the nine months to September 30, 1976 and earnings were up from £5.13m. to £6.78m. before tax of £2.63m. (£1.99m.). Including 100 per cent. of the investment currency premium, investments were valued at £132.73m. at September 30, 1976, compared with £138.94m. at December 31, 1975—unquoted investments declined from £27.33m. to £2.24m., reflecting the sale of part of the company's holding in Electra Investment Trust and the admission of Electra's capital to the Stock Exchange.

The investment currency premium amounted to £10.37m. (£10.01m.) of which 25 per cent. would have been surrendered if certain investments had been sold.

Net current liabilities stood at £2.94m. (assets £6.61m.) and debt and convertible loan stocks £10.82m. (same). Net assets per share were 150p (162p) or 145p (160p) fully diluted.

For the first six months gross revenue was £5.1m. (£4.49m.) and earnings before tax £4.58m. (£4.08m.). In April the directors forecast that 1976 earnings would show "a reasonable increase."



Mr. Alastair Down, chairman of Burmah Oil, which yesterday reported a first-half 1976 group pre-tax loss up from £2.38m. to £14.96m., after a heavier deficit of £24.75m. on tanker operations.

### DIVIDENDS ANNOUNCED

	Current payment	Date	Corresponding dividend	Total for year	Total last year
Ash & Lacy	1.24	Oct. 20	2.4	3.6	3.6
Associated Biscuits	1.32	Jan. 4	1.2	2.5	2.5
Bowthorpe	0.87	Jan. 6	0.61	1.33	1.33
W. Canning	0.44	Dec. 1	0.44	0.88	0.88
S. Casket	1.07	Dec. 16	1.02	2.09	2.09
Consolidated Gold Fields	0.42	Dec. 16	0.42	0.84	0.84
Dupont	1.63	Dec. 18	1.48	3.11	3.11
Garford-Lilly	0.47	Dec. 8	0.42	0.89	0.89
R. Goodwin	1.0	Dec. 9	0.91	1.91	1.91
Norman Hay	0.7	Nov. 20	0.7	1.4	1.4
Middlehead Investments	0.14	Nov. 20	0.13	0.27	0.27
J. & J. Makin Paper	0.99	Jan. 4	0.99	1.98	1.98
M. F. North	0.25	Jan. 4	0.25	0.5	0.5
Palmerston Trust	1.04	Dec. 10	1.04	2.08	2.08
Provident Life	1.0	Jan. 1	0.9	1.9	1.9
Spirax-Sarco	2.53	Nov. 24	2.3	4.83	4.83
Wilson Walton	1.0(a)	Dec. 10	—	1.0	1.0

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) As forecast in May prospectus.

### Spirax-Sarco ahead 60% in first six months

PROFITS before tax of Spirax-Sarco Engineering rose 60 per cent. from £1.21m. to £1.94m. in the first half of 1976 on external turnover, 25 per cent. higher at £12.51m. against £10.04m. In 1975, pre-tax profits were £2.66m. from turnover of £20.33m.

The chairman, Mr. A. C. Brown, says that in the absence of unforeseen circumstances, second half figures should show a significant improvement over the corresponding period last year. The net interim dividend is the maximum permitted 2.53p per share—last year's total was 5.63p.

Mr. Brown says most of the satisfactory first half improvement is from overseas companies. Not only are more than half the group's sales made outside the U.K., but also nearly half the pre-tax profits are now earned in foreign currencies. Furthermore, overseas subsidiaries now account for approximately half the group's net assets.

Order intakes remain at satisfactory levels showing increases well above the corresponding 1975 figures in real terms, the chairman states. Since the end of 1975 the group has opened direct sales operations in Australia, South Korea and Malaysia and has started a joint venture company in Holland with its Dutch distributors.

**comment**  
Currency gains have only been a small element in Spirax-Sarco's first half success. The results are the result of real growth in both sales and profit, particularly overseas where there has been a sharp jump in interest rates. There is no reason to expect any less from the second half of the year, since prospects for steam traps and accessories continue good worldwide and the company appears to be increasing its penetration of established markets as well as opening up new branches in Australia, Holland and the Far East. Pre-tax figures for the whole year, therefore, could be as high as £4.1m. and there could be a further bonus from currency gains. At this rate, if minority interests continue to fall to around £70,000 for the whole year, earnings per share could jump to 2.5p with the shares at 114p giving a prospective p/e of 4.7.

**comment**  
The interim dividend is lifted from 3p to 3.5p net per 25p share. Last year's total was 6.64p.

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### ISSUE NEWS

## Yearling Bonds up to peak 14 3/8%

The coupon on Yearling Bonds has this week jumped to an all-time record of 14 3/8 per cent. against 13 per cent. a week ago. This week's issue are due on October 18, 1977, at par.

They are: London Borough of Hackney (£1m.), South Ribblesdale Borough Council (£1m.), Knealy District Council (£1m.), Bassetsham County Council (£1m.), Chichester District Council (£1m.), Northamptonshire County Council (£1m.), Salisbury District Council (£1m.), South Dorset District Council (£1m.), Metropolitan Borough of Wigan (£1m.), City of Nottingham (£1m.), City of Nottingham (£1m.), Gateshead (£224,000), Borough of Burnley (£1m.), Borough of Ebbw Vale (£1m.), Borough of Neath (£1m.), Newbury District Council (£1m.), City of Stockport (£1m.), City of Salford (£1m.), Worthing Borough Council (£1m.).

## Best & May set for growth

IN HIS annual report, the chairman of Best and May, Mr. W. Best, says he is confident the group will maintain an increasing share of trade in the area which it serves in the home market and abroad.

On the home market, demand does not appear to be increasing for the group's products—but there appears to be an improving trend in exports, the chairman says. The group is ready and well placed to take full advantage of the expected economic recovery.

For the year ended April 30, 1976, pre-tax profits rose from £194,863 to £205,196 on turnover of £2.38m. (£2.63m.). During the year the company's profits exceeded the prescribed profit margin levels by some £10,000 and it is intended to eliminate this excess in the current year. On a CCA basis, profits after tax were £145,000, against £145,000. Historically, net profit was £96,595 (£93,363).

The need for increased working capital was largely met by retention of profits, but at the same time the directors found it necessary to reduce the level of stock. As a result of planned use of available resources, the Board did not need to resort to bank borrowings and the group has benefited from the resulting saving of interest charges. The Imperial Tobacco Company Pension Trust holds 200,000 Ordinary shares of the group. The group trades as stockists and distributors of electrical equipment and plant to industry. Meeting, Great Eastern Hotel, E.C., October 14 at 11.30 a.m.

## Davenport Knitwear up

AN INCREASE in profit from £153,500 to £170,500 is reported by Davenport Knitwear for the six months ended June 30, 1976. The directors say that the full year's result cannot be predicted with any accuracy.

The profit includes interest received of £19,000 (£22,000), after depreciation of £25,500 (£24,000), before tax of £88,500 (£90,000).

## SHAKESPEARE 84% ACCEPTANCES

Joseph Shakespeare and Co. announces that acceptances have been received in respect of 83.77 per cent. of the new £1,000,000 Ordinary Shares by way of £837,700, and of rights at 20p. The balance of £162,300 (£162,300).

## ALLIED INVESTMENTS LIMITED

"A Year of Energetic and Important Development"

FINANCIAL RESULTS FOR THE YEAR ENDED APRIL 30, 1976:

	1975/76	1974/75
Turnover	£3,705,000	£2,483,400
Profit before taxation	£ 319,000	£ 268,400
Taxation	£ 117,000	£ 130,900
Profit after taxation and minority interests	£ 198,000	£ 141,900
Earnings per Share	1.85p	1.68p
Dividend	1.05p	0.96p

Chairman Mr. W. R. Spencer reports:

- ★ Profit before tax for the first half of the current year is expected to be not less than £270,000 (1975 £170,000).
- ★ Important developments include the signing of hospital management contracts in Sharjah and Abu Dhabi.
- ★ Medical consultancy will make an increasingly important contribution to profits.
- ★ Acquisitions in the food industry will bring increased turnover and profits.
- ★ Expansion continues in Europe and throughout the world.

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## American Express International Banking Corporation



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## Ash & Lacy LIMITED

### INTERIM RESULTS FOR THE HALF YEAR ENDED 2.7.76 (Unaudited)

	Half year to 2.7.76	Half year to 4.7.75	Year to 2.7.76
External Sales	£'000	£'000	£'000
Profit before Tax	1,743	7,879	16,705
Profit after Tax	764	568	1,106
Earnings per share	8.9p	7.7p	13.6p
Interim Dividend	2.94p	2.4p	—
	£119,121	£97,242	—

The low demand experienced during 1975 continued into the first quarter of 1976. However, we were able to take full advantage of a sharp improvement in demand in the second quarter and expect that the profit in the second half of the year will be not less than the first half.

Your Directors expect to be able to recommend a total dividend of 5.94p for the year, the maximum allowed.

We consider that there is no case for limits on dividends to well below the rate of inflation and the increases allowed to almost all other members of the community. Such limitation reduces, nationally, the level of investment in profitable and promising projects—the main hope of improving the standard of living of all those who work in industry and the whole population who depend on it.











## BIDS AND DEALS

## Teacher in bid talks

AFTER SHARES in Teacher (Dunlop), the Scotch whisky group, rose sharply by 36p to 240p early yesterday, the directors admitted that talks were going on which might lead to a bid for the company.

But they did not reveal the identity of the bidder, Teacher, which, according to some estimates has the U.K. Scotch market brand leader in its Highland Cream, is one of the few remaining businesses of its kind available to any group wanting to get into the whisky industry.

The list of potential bidders is therefore a long one, ranging from American, Dutch, French and Japanese groups as well as those U.K. companies with cash to spare and diversification in mind.

The Teacher's Board asked for the suspension of the company's shares just before noon yesterday and at the suspension price the group is valued at just over £11m.

Questions will certainly be asked about the apparently informed buying early yesterday which originated mostly from small country investors, according to Stock Market sources, and there might be some pressure for a full-blown Stock Exchange inquiry.

Teacher's sales in 1975 were £7.5m, ahead at £5m, and taxable profits were more than £1m, up at £2.585m.

## JAMAICA SUGAR

In a further move by Caribbean authorities to take over foreign-owned sugar companies, the National Sugar Company, sponsored by the Jamaican Government statutory body, has started negotiations with Jamaica Sugar, which may lead to an offer being made for the company.

On the stock market yesterday, the shares of Jamaica Sugar rose 9p to 26p following the news.

## CRANE'S SCREW

The directors of Crane's Screw (Holdings) estimate that taxable profits for the year to July 31, 1976, will be £51,000, and no interim dividend is likely, it is stated in the formal offer document posted to shareholders yesterday. The company is being bid for by Benjamin Priest and Sons (Holdings).

## SHARE STAKES

Jorahut Holdings on October 8 bought 10,000 Root Harvesters shares. Total holding is 312,963. York Trusts, the London and European group subsidiary, Land and European Assets, now holds less than 10 per cent. of the Ordinary capital.

Dunford and Elliott—Mr. P. G. Edwards (2 director) purchased 20,000 shares on October 3.

Liver Concrete Machinery Company—Ferguson Industrial Holdings has purchased a further 15,000 Ordinary shares bringing total holding up to 2,870,950 (29.93 per cent.).

East Lancashire Paper Group—Garmore Investment and subsidiary have acquired a further 100,000 Ordinary shares and now hold 770,000 (14.12 per cent.).

Heron Corporation acquired a

## MINING NEWS

## Gold profits fall with the bullion price

BY KENNETH MARSTON, MINING EDITOR

THE FIRST of the South African gold mining reports for the September quarter tell a simple story: lower gold prices and lower profits. There are few other factors in the equation, but working costs in the Consolidated Gold Fields group have been reasonably well contained and the fall in profits is no worse than might have been expected.

The average gold price received by the Gold Fields mines in the past three months was around \$122 per ounce. This compares with an industry range in the June quarter of about \$120-125, apart from some special exceptions.

Among these exceptions, Venterspost received as much as \$153 for 1½ gold in the June quarter, whereas the figure for the past three months has dropped to \$111. This, coupled

with lower production has resulted in a September quarter working loss of R1.43m (£699m). As already announced, mining operations are being moved to the higher grade areas of the mine with the result that there has been some fall in the tonnage of ore broken in the meantime, but the grade is improving and Venterspost's gold production increased in September 394 kg. The mine's application for State aid is now being considered, it is added.

Kloof has received an average gold price in the past quarter of \$113 compared with \$115 in the previous three months while Venterspost's latest average price has been \$111 against \$133; the latter, which has already given the statutory three months' notice of closure reckons that on present indications it will be possible to continue mining until about the end of next March.

Doornfontein has received an average gold price in the past quarter of \$111 compared with \$113 in the June quarter while that of West Driefontein also works out at \$111 against \$122; the latter points out that the elimination of low grade dump material has resulted in a fall in tonnage milled but an increase in gold production.

The young East Driefontein has further increased production while that of Libanon has been affected by the already reported underground fire for which a loss of profits insurance claim is to be submitted.

Latest working profits of the group mines are compared below.

	Sept.	Oct.	Nov.	Dec.
Doornfontein	1,065	2,289	2,881	2,881
East Driefontein	1,065	2,289	2,881	2,881
Kloof	5,136	6,236	6,236	6,236
Libanon	1,181	2,472	2,472	2,472
Venterspost	1,181	2,472	2,472	2,472
West Driefontein	2,128	3,782	3,782	3,782

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## Gold Fields

DESPITE a sizeable fall in earnings, Consolidated Gold Fields is paying the maximum permitted increase in its dividend, a final now declared of 4.7225p and a total for the year to June 30 of 7.37p. After taking into account the related tax credit the latest total is equivalent to 10.3077p for the previous year.

Consolidated net profits are much in line with expectations at £22.5m, against £28.6m last time. Income was lower from virtually all sources and the U.K. Amey Roadstone division had to make economies in the shape of a closure of a number of units and a reduction in the labour force.

Share dealing profits—which included those on the sale of Pancontinental shares—were higher, but the net figure has been reduced by a sharply increased provision for unrealised depreciation.

Construction materials revenue fell to £11.9m from £12.1m, and income from the sale of land and buildings to £1.5m from £1.7m. Dividends on investments fell to £1.2m from £1.3m. Finance charges rose to £1.2m from £1.1m. Total revenue fell to £61.8m from £62.4m. Expenses rose to £39.3m from £38.5m. Extraordinary write-offs of £1.5m were included. Profit before tax fell to £22.5m from £28.6m. Income tax rose to £3.5m from £3.2m. Profit after tax fell to £19.0m from £25.4m. Dividends rose to £4.7225p from £4.50p. Retained profits fell to £14.3m from £20.9m. Less depreciation, £14.3m. Technical and general reserves, £14.3m.

The outlook for the current year is not too encouraging. Income from the important gold interests, for example, can be expected to fall in the wake of lower bullion prices while platinum revenue will disappear following the recent elimination of the group's indirect interest in Rustenburg Platinum.

Some guidance as to 1976-77 prospects will thus be awaited from the chairman, Lord Erol of Hale. The annual report is due to be sent to October 20 and the London meeting will be held on November 23. Gold Fields were 128p yesterday.

## HARMONY HIT

Sharply reduced profits, behind the lower bullion price, are dis-

closed by the gold mines in the quarter ended September 30. Harmony, Rhynaburg, East Rand Proprietary and Durban Roadport Deep were receiving prices in the range of \$11-11.2 per ounce, compared with levels higher than \$12 in the preceding quarter.

Harmony's total working profit for gold has been sliced from R9.77m in the June quarter to R1.84m in the September quarter despite a markedly higher tonnage of ore milled, better gold grade and lower costs. Lacking the benefit of the uranium stockpile sales which boosted the second quarter figures, the latest uranium profits have fallen to R881,000 (£608,400) from R7.75m.

The pattern of reduced profits in the group is shown in the table below.

	Sept.	Oct.	Nov.	Dec.
Harmony	1,065	2,289	2,881	2,881
Rhynaburg	1,065	2,289	2,881	2,881
East Rand Prop.	1,065	2,289	2,881	2,881
Durban Deep	1,065	2,289	2,881	2,881
E. Rand Prop.	1,065	2,289	2,881	2,881
Harmony	1,065	2,289	2,881	2,881

\* Loss.

## Deelkraal sets rights terms

THE TERMS of South Africa's Deelkraal Gold Mining rights issue to the public have been set at a premium to the closing London price yesterday. But with 74.76 per cent. of the equity in the new mine held by Gold Fields of South Africa and Consolidated Gold Fields, only a small portion of the shares will be available to the public.

Deelkraal is offering the new shares on the basis of 125 shares for every 100 held, at a price of 145 cents (100p). In London the cum-premium price closed down 3p at 95p yesterday. In Johannesburg, however, the market price followed the announcement was 162.5 cents.

Deelkraal is advertising the details of the offer in the Press on October 15 and sending a circular to shareholders on October 23. The offer applies to shareholders registered on October 13.

## PLANT PROBLEMS AT ROSSING

Following recent rumours that the Rio Tinto-Zinc group's new Rossing uranium mine in South West Africa has been suffering from mechanical troubles the group confirms that problems mainly due to design and mechanical weaknesses have been encountered in some sections of the plant.

It is added, however, that they have been identified and are being rectified. This means that certain modifications to the plant will have to be made and it may take up to 18 months before production at the full rated capacity is achieved.

Rossing was scheduled to come on stream during the latter half of 1976. In spite of the fact that during construction the initial rated annual capacity of the plant of 2,500 tons of uranium oxide was increased to 5,000 tons, RTZ says that the plant was completed on time and is presently being commissioned. RTZ closed at 143p yesterday; they have come back

## BC GOVERNMENT LOOKS AHEAD

In a declaration of faith in the province's mining industry the British Columbia Deputy Minister of Mines and Petroleum Resources, Dr. James Fyles, said that the provincial government wants to encourage existing operators and newcomers.

The statement follows the completion last week of Mr. R. E. Ballbauer, the vice-president of Teck Corporation, who said that the future of the industry in the 1980s depends on provincial government policies and the labour climate over the next two years.

Dr. Fyles said the B.C. Government seeks to achieve its aim by keeping taxation at a fair level. Substantial changes in the province's previous punitive tax system were made last June and the industry's major source of concern, a royalty on sales without regard to costs, was removed.

Making it clear that the development of the province's large, but idle, coal resources, must be wisely managed, Dr. Fyles said, "The province must reserve the right to meet its needs for all uses of the coal, and in the long term to designate those quantities and types of British Columbia coal available to domestic Canadian markets and for export to international markets."

## INTERIM STATEMENT

Results for six months ended 31st July 1976

	6 months ended 31.7.76 £'000	6 months ended 31.7.75 £'000	Year ended 31.1.76 £'000
TURNOVER	78,816	71,127	143,560
PROFIT BEFORE TAXATION	4,634	1,477	4,039
TAXATION	2,466	799	2,178
PROFIT AFTER TAXATION	2,168	678	1,861
DIVIDENDS	629	549	1,344

## Points from the Report to Shareholders

- The recovery in Group earnings continued at an increased rate during the first half of the current year.
  - There was a gradual improvement in demand for engineering quality steels and all sectors of the Steel Division contributed to much improved profits.
  - Engineering Division. The market for tractor components remained firm and was reinforced by some recovery in the demand for components for passenger cars although the general engineering sector remained dull.
  - Trading conditions continued to be difficult for the Domestic Products Division.
  - The Board has declared an interim dividend of 1.63216 pence per share representing an increase of 10% over the rate of 1.48378 pence declared last year.
  - The effect of the new economic measures on demand for the Group's products cannot yet be assessed but present indications are that the improved level of demand for steel and automotive components will be sustained for the remainder of the financial year but that conditions for the consumer products of the Domestic Products Division are likely to remain unfavourable.
- In these circumstances Group profits are expected to make a further advance in the second half of the year and so complete the recovery of Group earnings to the level of those of 1974/75.

Copies of the full Report will be sent to all Shareholders and to Debenture and Loan Stockholders. Further copies are available from The Secretary, Duport House, Edgbaston, Birmingham B16 8JU.

## DUPORT LIMITED

An industrial holding company with interests in Steel, Foundries, Engineering, Beds, Furniture, Kitchen Furniture and Curtain Rail Systems.

## Bowthorpe Holdings Ltd.

## Substantial Increase in Pre-tax Profits, Exports and Overseas Earnings

## Financial Results for the Half Year to 30 June 1976

	HALF YEAR '76 £000	HALF YEAR '75 £000
Pre-Tax Profit	2,589	1,810
Sales	15,161	11,689
Earnings per Share	3.0p	2.1p
Interim Dividend per Share	0.672p	0.611p

“It is anticipated that the progress made in the first half will continue for the remainder of the year”

JACK BOWTHORPE  
CHAIRMAN

Copies of the Interim Statement may be obtained from the Secretary, Bowthorpe Holdings Ltd., Galswick Road, Crawley, West Sussex.

## APPOINTMENTS

## Senior executive changes at Firestone

FIRESTONE TYRE AND RUBBER COMPANY has made the following senior appointments: Mr. A. G. B. Muir moves to a new executive position on the Board and has been succeeded as sales director by Mr. J. A. Nuccio. Mr. L. V. Birt has been made director, trade sales, and Mr. D. C. Taylor is now U.K. sales manager, wholesale.

Mr. C. B. Heath, general manager for the U.K. of the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, has been appointed a director.

Mr. Roy Head has been appointed a local director of the Oxford district of BARCLAYS BANK.

Mr. Bryan Hazlehurst has been appointed commercial director of POLYCELL HOLDINGS. At Polycell Products, Mr. John Kennett has become marketing director. Mr. Graham Rogers, sales director, and Mr. Cyril Buckley, engineering director.

Mr. Robert S. Mason has been elected a senior vice-president of AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION and appointed a member of the bank's senior management committee with responsibility for the European region. He succeeds Mr. Kevin L. Connelly who has moved to the U.S. to assume

responsibilities for the North American region.

LOYD'S LIFE ASSURANCE has appointed Mr. F. T. Woolhouse as managing director and actuary, Mr. M. J. Gordon, marketing manager and Mr. P. G. Baines, London regional manager.

Mr. Sanford H. England, vice-president of CITIBANK, N.A., has been appointed area corporate officer responsible for all Citibank operations and activities in Switzerland. He succeeds Mr. John T. Fogarty, vice-president, who has been named managing director of Citicorp International Bank in London.

Mr. Michael G. N. Walker has been appointed chief executive of MIDLAND INDUSTRIES. Sir John Carmichael, who was chairman and chief executive, remains chairman.

Mr. Gilbert H. Macdonald has been elected chairman of the MULTIPLE SCLEROSIS SOCIETY. Mr. Richard Cave, who has been chairman since it was formed 22 years ago, has retired because of ill health, and becomes life president in place of Lady Limerick.

Following the sale of heating interests of IDEAL-STANDARD to the Metal Box subsidiary, Stralud, an executive Board of Ideal-Standard has been formed.

Mr. O. C. Prior has been appointed an executive director

It consists of Mr. Dennis Ball (home sales); Mr. Norman Bennett (commercial); Mr. Stan Bramwell (manufacturing); Mr. Alan Silver (sales); Mr. Colin Wise (finance and administration); and Mr. Geoffrey Edwards (who remains chairman of Edwards of Hull).

Mr. A. L. Ferguson has been elected to the Board of MOBIL OIL COMPANY as marketing director. He was previously managing director of Mobil Oil Malaysia Sdn. Bhd.

Mr. P. J. S. Corby has been appointed an additional director of the main group Board of THOMAS JOURN.

The toy and toyline section of DUNBEE-COMBEN-MAXX has been reorganised into three regional divisions. Mr. Colin Williams becomes chief executive of the home division, Mr. Robert Butler, chief executive of the American division, and the remaining overseas companies will form the third division.

Mr. D. F. Pitt has been appointed a director of A. D. INTERNATIONAL and THE AMALGAMATED DENTAL COMPANY.



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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Guatemala withdrawal by Saga

OSLO, Oct. 12. SAGA PETROLEUM, Norway's largest oil company, has relinquished its 25 per cent stake in a Guatemala concession area to its two partners in the concession—Basic Resources International S.A. and Shenandoah Oil Corporation. Shenandoah, operator for the group, announced last week that it would develop the Rubelsanto field in the area. Shenandoah and Basic will divide Saga's stake 50-50. In return, Saga is to get 30 per cent of all future production from the area, whether from Rubelsanto or from any other commercial find that may be made there.

The move is in line with Saga's decision to give priority to investment in Norway's Continental shelf, and to cut down its engagements abroad. To date, the company has invested some Kr.70/80m. (\$8.9m.) in prospecting on the Guatemala concession.

## New company for Imetal

PARIS, Oct. 12. THE IMETAL SA Group plans to create a new holding company, as yet unnamed, to regroup the sales activities of group members Imetal, Pennaroy SA and Cie de Monta in 13 countries, a group spokesman said.

Imetal will have a majority holding in the company which will aim to reinforce the potential of the sales network which already exists rather than set up a new one, the spokesman said. Reuter

## Chausson stake

S.A. DES USINES Chausson has acquired a majority interest in Societa Testa Radiatori, near Turin. Terms were not disclosed, according to AP-Dow Jones.

## The Hague increases stake in former Singer offshoot

BY MICHAEL VAN OS

THE DUTCH Government has raised its stake in Tealtronic, the former Singer office computer manufacturer, from 40 per cent to about 70 per cent.

The Economics Ministry, which rescued the company in February 1973, only days before the Singer Company finally closed its gates for the last time, throwing over 500 employees out of work, merely issued a two-paragraph statement on the move in The Hague to-day. It said the decision has been made since the intention was that "a link would shortly be sought with a similarly-oriented company. This is regarded as a condition for the further existence of Tealtronic."

Last year, when the Dutch Government bailed out the Nijmegen Company, which is located in a high-employment area, it brought in a company called Tealtronic, based in Switzerland. British-owned, the company is a subsidiary of AXIL Dis-

tributors in the U.K.

A statement put out by Tealtronic to-day said that the reason for the enlargement of the State participation was that the financial involvement of the State required its view to have a greater say.

The company also said that one of the directors, Mr. A. Rodgers, had resigned for health reasons and that the management was now being carried out by Mr. K. C. Butler and Mr. W. B. Brouwer, the former Singer director who had remained with the company.

Sources close to the Government were commenting, however, that the Economics Ministry was entirely happy with the course of business at Tealtronic. It preferred to find a partner who would be able to inject money into the company, attract funds as F&S183 on this page yesterday.

The idea is then to sell it should have read F&S135 last night's Amsterdam closing price was F&S 135, down F&S2.

AMSTERDAM, Oct. 12.

stood, discussions are already in progress.

The Nijmegen company, which currently employs about 450 people, manufactures office computers as well as computer components. This month, the company will start production of line printers on the basis of an American licence.

The Government is not prepared to give further details of the financial transactions or of the state of negotiations and the identity. It had spent many months last year to find a partner for the former Singer, continuing to maintain production with substantial State funds, when Tealtronic was brought in at the last moment.

## ROLINCO

DUE TO an error in transmission, the Rolinco share price appeared as F&S183 on this page yesterday. It should have read F&S135 last night's Amsterdam closing price was F&S 135, down F&S2.

## Company arises from old ruins

NEW YORK, Oct. 12. A NEW public company is expected to emerge next week from the ruins of one of the greatest insurance company scandals in U.S. financial history—the collapse of Equity Funding, three and a half years ago.

Next Monday the Securities and Exchange Commission is expected to approve trading in the shares of Orion Capital Corporation on the over-the-counter market.

Orion will have some \$400m. of assets from the defunct Equity Funding which have in the intervening period been reorganised and purged of the phony insurance policies and loans which brought Equity Funding to its knees.

The reorganisation has been completed under chapter ten of the U.S. bankruptcy laws under which control of a company passes to a court-appointed trustee who tries to reorganise the company and if necessary sell assets to pay off creditors.

Although it is not unique for a company to emerge from chapter ten as a public company, it is unusual. Most such operations end in the liquidation of the bankrupt company. Orion Capital promises to be one of the largest chapter ten corporations to emerge from such a filing as a public company.

Shareholders and other unsecured creditors of the old Equity Funding will get Orion Capital common stock. The highest Orion shareholder will be Fidelity Corporation of Richmond Virginia with around 10 per cent of the equity. Fidelity Corporation is the parent company of the U.K. Fidelity Life Insurance Company which the Department of Trade moved last year to put into liquidation.

## Record profits at Dana Corp.

By Roy Levine  
HELPED BY a powerful performance in the fourth quarter, when pre-tax profits rose by 78 per cent, Dana Corporation has reported record profits of \$165m. for the year ended August 31, 1976. This earnings per share of \$3.05 beat the original forecast of \$2.50 made last December and are just above the June forecast.

As the U.S. car and truck industry came out of recession, Dana's earnings showed an upwards trend. Fourth quarter sales hit the seasonal pattern and rose by 50 per cent, to \$444m. for the best quarterly performance. Overall, sales rose up by 26.2 per cent to \$1,444m. With average capacity utilisation reaching nearly four-fifths by the year-end, profits rose by 42 per cent. After-tax earnings were \$89.2m. against \$62.2m. last year.

The feature of the year was the strong performance in high sales. These normally are paid for just over a quarter of total sales but in the past fiscal period made up nearly two-thirds of the total increase in sales.

Looking into the current year Dana's chairman, Mr. Ren McPherson, says: "With a continuing expansion of the economy the heavy truck market continues to grow while light trucks will be strong. The service parts area is solid and Dana's industrial market is growing dramatically and although this is a year of many labour contract negotiations, we still have confidence that it will be a very good year."

Sales in the first month of the current year are up on the previous year despite the strike at Ford, which accounts for about 16 per cent of Dana's turnover. Stocks are higher than last year although there is no increase in debt.

## Merrill Lynch upturn

MERRILL LYNCH announced net profit of 49 cents a share in the third quarter compared with 28 cents previously, reports AP-DJ.

Net income was \$17m. against \$9.3m. Revenue \$256.8m. against \$208.3m.

Nine months' net income \$80.3m. or \$2.27 a share compared with \$73m. or \$2.05, Revenue \$822.3m. against \$738m.

## STOCK MARKET ROUND-UP

## Austerity plan drives Italy towards new lows

BY DOMINICK J. COYLE

MINUS SIGNS predominated on the Milan Bourse to-day as the overall index hovered dangerously close to a 20-year low after a week-end when the minority Government of Sig. Giulio Andreotti announced its long, "austerity" programme and what ambiguously worded proposals for a Government economic package providing for an increase in the withholding tax for electricity, post and telegraph tariffs and public transport 50 per cent.

With so much austerity talk in the Italian political air—some (but by no means all) of it translated into tentative steps towards creating national economic equilibrium—it is hardly surprising that share prices have reacted in kind.

The Milan market closed yesterday with prices more than one-fifth off from the 1976 high reached last February; put another way, down any way, reacting to the continuing of the post-electoral political uncertainty, reassessment of the exact scale of industrial recovery under way and the sharply upward move-

ment in interest rates, increase by two-thirds in withholding tax on dividends seen as akin to the last year's but less enough to fuel the existing bear movement. All of this comes at a time when the discount rate has pushed up a full three points in the defence of the lira and when three-year Treasury bills are yielding 18 per cent.

This particular measure, which is still subject to precise clarification, could in fact be relatively speaking more cosmetic than real, although Sig. Gianni Fissore, the national president of the Italian Stockbrokers' Association, this morning cabled the Prime Minister directly protesting against "untimely and unproductive action."

Given that the market was on the way down anyway, reacting to the continuing of the post-electoral political uncertainty, reassessment of the exact scale of industrial recovery under way and the sharply upward move-

ROME, October 12

in interest rates, increase by two-thirds in withholding tax on dividends seen as akin to the last year's but less enough to fuel the existing bear movement. All of this comes at a time when the discount rate has pushed up a full three points in the defence of the lira and when three-year Treasury bills are yielding 18 per cent.

The fundamental deficit of the Italian capital market, the Stock Exchange, industry as a whole through Italy, is suffering from long-term uncertainty about the political situation, the absence of a comprehensive programme of national economic and social planning, and, just now, absence of anything approaching an adequate rate of return on capital employed.

## Holzmann confirms gloomy reports

BY ADRIAN DICKS

PHILIPP HOLZMANN, the West German building and civil engineering contractor, announced today for the first time results to-day for the first eight months of this year, which confirm the gloomy reports coming from other sources about the continuing doldrums in the construction sector.

But the company says a slight overall improvement in its fortunes, thanks to its involvement in two very large projects in Saudi Arabia.

Holzmann experienced a fall in domestic completions of 11 per cent between January and August this year, from DM1.1bn. to DM1bn. (\$244m.). There was some increase in activity in the

realm of private housing, mainly individual houses. But there was little sign of any strengthening in demand for industrial new construction investment on the part of the Government and public sector.

In spite of this, Holzmann saw a 2.1 per cent increase in its overall domestic order book, and to its involvement in two very large projects in Saudi Arabia.

The brighter side of the picture came in overseas activity. Completions rose 45 per cent to DM1bn. (\$244m.). There was some increase in activity in the

projects. In the first of these, DM3bn. harbour being built in Dammam, Holzmann is lead contractor in an international consortium with a number of other construction companies. Second is a hospital complex being built at Riyadh, which Holzmann is the sole contractor.

The company maintained DM7 per DM50 share dividend in 1975, and warned shareholders to-day that no further improvement can be expected for 1976.

In spite of the full capacity achieved overseas, the competitive position in West Germany expected to remain tough.

New Issue  
October 13 1976

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Share, Loan Capital & Reserve £21.4 million  
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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Glen Anil suspended after shares tumble

BY RICHARD ROLFE

JOHANNESBURG, Oct. 12.

SHARES IN Glen Anil Development Corporation, South Africa's biggest township developer, were suspended last Friday after hectic dealings on the Johannesburg Stock Exchange, where the prices tumbled from 90 cents to 37 cents in about three hours on disclosed volume of 130,000 shares. The main reason for the suspension seems to have been a liquidity crunch within the company and talks are now going on between the Board and representatives of the six major creditors, under the chairmanship of Mr. Louis Shill of Sage Holdings, which controls the biggest shareholding in Glen Anil apart from the controlling Rubenstein family.

The other problem for Glen Anil this past week, which has seen the publication of its report and accounts for the year to June 30, 1976, was the qualification of its accounts by auditors Kessel Feinstein and Torch.

They observed that "having regard to the prevailing conditions in the township industry bank and Rand Bank are expected to give a sympathetic hearing to requests for additional help. Judicial management can probably be ruled out, and instead, the banks are expected to roll over some loans which mature this year and to supply working capital. They may also call for some management changes and for progress reports on the group's development projects."

Ultimately the salvation of Glen Anil and of other township developers like Jessel Properties, which is under judicial management, can only come from recovery in the property market, which would enable these groups to move some of their land stock.

But there are few signs so far that any general recovery will be possible in the next 12 months. At present, it is doubtful whether Glen Anil's 7.5m. shares in issue are worth even the pre-suspension price in view of the debt level and weak trading position.

Six banks involved, Nedbank, Barclays, Standard, Trust, Sen-

bank and Rand Bank are expected to give a sympathetic hearing to requests for additional help. Judicial management can probably be ruled out, and instead, the banks are expected to roll over some loans which mature this year and to supply working capital. They may also call for some management changes and for progress reports on the group's development projects."

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## CBA funds increase by 24.8%

GROUP STOCKHOLDERS' funds of the Commercial Bank of Australia increased by 24.8 per cent to \$119m. during the year to June 30, 1976. \$119m. of the rise being attributable to the 1975 new issue and \$11.5m. to retained profits. It was stated in London yesterday.

As previously reported, group operating profit after tax for the year rose from \$11.7m. to \$18m., the equivalent of 46 cents per ordinary share.

In the group annual report and accounts, Sir Thomas Webb, chairman, says the results are particularly pleasing considering the difficult economic conditions which prevailed over the year.

Deposits and other liabilities of banking companies and public borrowings of the finance subsidiary, General Credits, increased by 17 per cent, to \$3,070m. Loans, advances and bills discounted rose by 15.6 per

cent to \$1.58m. with total group assets advancing by 19.2 per cent to \$4.13bn.

Continuing its policy of rationalisation, CBA opened seven branches in Australia and closed six in New Zealand.

The dividend for the year on ordinary stock has been increased from 14 cents to 14.5 cents a share. The dividend on preference stock remains at 90 cents a share.

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Yld	Offer	NOTES	Yld	Offer
Acan 94pc 1988	1044	105	Australia 94pc 1983	1084	104
Acan 94pc 1991	984	99	Bank of Tokyo 94pc 1981	1022	102
Bowater 94pc 1986	1032	104	British Gas 94pc 1981	1012	102
Cause Nil Ann. 94pc 91	100	100	Dommark Mt. Bk. 94pc 1983	1011	101
CNE 94pc 1983	101	101	ECS 94pc 1981	1022	102
Denmark 94pc 1984	974	98	ECS 94pc 1982	101	101
ECB 94pc 1988	102	102	Michael 94pc 1983	994	100
ERAP 94pc 1985	103	103	Montreal Urban 94pc 1981	100	100
Esso 94pc 1986 Net	1012	102	Nacel Financiera 94pc 91	1032	104
Exxon 94pc 1983	1011	101	Nil Coal Board 94pc 1981	101	101
Grampian 94pc 1985	1034	104	New Brum. Prov. 94pc 88	1022	102
ISE Canada 94pc 1986	1031	104	Seaspray 94pc 1983	1022	104
Mastercard 94pc 1991	1032	104	Source: White Weld Securities.		
Michelin 94pc 1983	1014	102	CONVERTIBLES		
MOOD 94pc 1983	102	102	American Express 4pc 87	514	93
Nil Westminster 94pc 1982	982	98	Ashtad 94pc 1983	52	52
Norfolkland 94pc 1988	100	100	Beattie Foods 4pc 1982	104	102
North 94pc 1986	102	102	Beattie Foods 4pc 1982	102	102
Novak 94pc 1981	994	100	Borden 94pc 1985	104	102
Oslo 94pc 1988	101	101	Broadway 4pc 1987	794	94
Prov. Quebec 94pc 1984	1022	102	Canon Camera 7pc 1983	124	124
Sandvik 94pc 1985	1022	102	Carat 4pc 1987	564	87
Prov. Saskatchewan 94pc 86	104	104	Castan 94pc 1988	1124	112
SFE 94pc 1983	1011	102	Eastman Kodak 4pc 1988	1014	103
Stand. Oil (Ind.) 94pc 1988	1022	102	Economic Labs. 4pc 1987	75	75
Svenska Handels 94pc 1988	1022	102	Fed. Dept. Stores 4pc 88	118	112
Volvo 94pc 1985	1044	105	Fresno 94pc 1983	57	59

## Sony Corp. raises its dividend

Sony Corporation stated in Tokyo that in view of better than expected business results the final dividend, subject to shareholders' approval, would be raised to ¥12.5 from ¥7.0 for the year ending on October 31, 1976, making total of ¥30 (¥15). Reuters reported yesterday.

Sony forecast that non-consolidated after-tax profit for the current fiscal year to October 31 would reach ¥20bn. on estimated sales of more than ¥350bn., an all time high, owing to brisk demand for colour TV sets and video-tape recorders.

It added that it also expected to report record consolidated net profit of about ¥30bn. on estimated revenue of between ¥470bn. and ¥480bn. for the same fiscal year.

Sony's non-consolidated after-tax profit for the fiscal year ended October 31, 1975 was ¥14,060bn. on sales of ¥295.6bn. Consolidated net profit for the same period was ¥16.3bn. on revenue ¥40.6bn.

## Japanese stores growth

ITO-YOKADO Co. net profit rose in the half year ended August 31 to ¥3,435bn. against ¥2,782bn. a year earlier. Sales were ¥146,534bn. (¥120,270bn.).

The retail chain forecast net profit for the year ending next February 28 of ¥5bn., up from ¥3,555bn. a year earlier. It forecast sales of ¥320bn., up from 253,821bn.

Meanwhile, Seiyu Stores net profit rose in the same period to ¥1,901bn. (¥1,435bn.) on sales of ¥189,348bn. (¥166,954bn.).

AP-DJ reports from Tokyo. The retail chain forecast net profit for 1976-77 of ¥2.6bn., up from ¥1.821bn. a year earlier. It forecast sales of ¥310bn., up from ¥351,878bn.

## HK trading in Haw Par again

TRADING in shares of Haw Par Brothers International resumed in Hong Kong yesterday morning after being suspended on July 10 last year when the Singapore Government started investigations into its affairs. Reuters reports from Hong Kong.

This morning's end-of-session price was S\$K4.20 seller compared with S\$K4.10 buyer when the shares were suspended.

The resumption of trading here followed Monday's resumption in Singapore.

## FOREIGN INVESTMENT IN CANADA

## Canada is not for sale

BY ROBERT GIBBENS IN MONTREAL

MONTREAL, Oct. 12

## NEW LIST OF APPROVALS GRANTED BY FIRA

● Redpath Industries, the main Canadian holding company of the U.K.-based Tate and Lyle group, acquires control of Merry Packaging and Holway Paper Box — two Ontario packaging companies. This is an horizontal expansion by Redpath, a major Canadian based already diversified into plastic products and packaging.

● The American-owned Columbia Trailer Parts of Burnaby B.C. buys Nor-Am Transportation Equipment of Oakville, Ontario, makers of truck-trailer parts; Boston Gear Canada of Toronto, also U.S.-owned, buys the assets of Boston Gear Division of Rockwell International Canada of Mississauga, Ontario. This company is a distributor of drives and bearings while the buyer is owned by Incom International of the U.S.

● Unicor Abrasives Canada, which is U.K.-owned, buys

Simonds Abrasive Division of the U.S.-owned Wallace Murray Canada. The deal involves a grinding wheel manufacturing plant at Brockville, Ontario, and a fused alumina plant at Arvida, Quebec. The buyer is owned by Unicor Industries of the U.K.

● Preussag Canada of Toronto, owned by the West German Preussag Resource and Engineering Group, buys Currier Mines of Montreal and Toronto, which is an owner of non-ferrous metals properties.

● Terafys Inc. of the U.S. sets up a new business in Toronto to install testing equipment leased to phone companies.

● TWA Manufacturing Company of the U.S. sets up a new business in Stratford, Ontario, to market pneumatic truck suspension systems.

● Harlock Williams sets up a marine insurance underwriting agency in Vancouver.

THE FEDERAL Foreign Investment Review Agency (FIRA) approved the takeover of several Canadian companies by foreign interests last week, as well as plans to start new businesses in Canada by foreigners. A day or so later the Government refused a small American takeover.

FIRA does not state the reason for approval or disapproval of foreign business plans in Canada. Its function is to test every sizeable takeover, involving primarily over \$5m. in assets, for "significant benefit" to Canada. This is a very wide-embracing term, and an area where the views of individual provinces are often considered.

FIRA has a small staff of analysts and specialists in Ottawa, some of whom were formerly well-known in the investment industry. It can call on the services of federal departments and can also get information from the provinces.

Its spokesmen since the operation started in earnest three years ago, have stressed that the Act is not designed to keep foreign investment out, but to screen what is coming in for its benefits to Canada in terms of job creation, technological advance, regional development and influence on competition and corporate concentration.

It has to be seen in conjunction with other federal policies such as that controlling ownership of the uranium mining industry (soon to be tightened to 50 per cent. Canadian ownership from 40 per cent.), and existing ownership controls on banks and insurance companies and investment houses.

FIRA was part of the Trudeau Government's response to pressure, mainly from Ontario in the late sixties, for a halt in the foreign takeover of Canadian industry, particularly manufacturing, oil and other resources. About 60 per cent. of Canadian manufacturing was then controlled by foreign interests, and well over 80 per cent. of oil production and marketing. Most of FIRA's decisions have approved foreign takeovers and plans for new businesses. Phase I of its operations concerned straight takeovers, and Phase II included expansions by existing foreign-owned companies into other lines of business.

Nationalists have attacked its

performance as wishy-washy and ineffective in reducing foreign ownership while big business (with a few exceptions) has argued that the Act is not necessary for the maturing of the Canadian economy, and creates hostile feelings among mainly European and American businessmen. Some businessmen contend that the Canadian economy needs to import high technology through direct foreign investment and needs the competitive spur of foreign subsidiaries. However, there has been no general unanimity in public opinion.

Some people were happy to see American incursions halted or curbed, they felt, by the screening process. However, FIRA insists it is non-discriminatory, though it happens that most of the foreign bids tend to come from the U.S. anyway.

From the start FIRA came under criticism from several provinces. Quebec, the Maritimes, which traditionally have the highest unemployment rates in Canada and low per capita investment in manufacturing, accepted the screening process with misgivings. In fact they have both left the door wide open to foreign investment including that from the U.S.

British Columbia is open again, with the change of Government from new democrat

back to social credit, while Alberta has always doubted the federal screening process. Now it wants to develop Alberta-owned industry and lessen its traditional reliance on "high cost" eastern Canada manufactured goods. It is Canada's fastest-growing province because of its oil.

Last year Saskatchewan, outflanked the federal government with surprise plans to nationalise foreign-owned potash mines for well over \$1bn. Ottawa conceded the province's right to do so, since resources are a provincial responsibility, while making clear its opposition in principle. The first takeover has been completed, the U.S. Duval Corp. Mine.

FIRA was designed to be flexible, to harmonise with other legislation on the books or planned, with policies of both federal and provincial governments, and to accept the right of the source development and primary industry, with competition in the market (the federal government has still to get acceptable legislation passed), concentration of power (a federal commission is reporting soon), updating of federal corporation laws, development of the Canadian securities markets and a host of other considerations pre-occupying the federal authorities before the energy crisis.

The whole paraphernalia has combined to make any major foreign takeover impossible. Most of FIRA's lists have involved small deals, of obvious benefit or at least of no harm. FIRA is supposed to follow up on approvals and check whether foreign companies allowed to take over Canadian ones or expand are living up to promises to invest and create jobs and transfer Canadian technology. But FIRA still lacks staff to do this properly.

The environment for FIRA has changed with the course of the Canadian economy since the 1973 energy crisis. Last year Canada moved into stagflation, and the current account deficit rose to around \$5bn.—it will possibly be more this year. This has been covered by heavy provincial borrowing for energy projects and social capital.

The sequel was wage and price controls, just a year old, which besides slowing the wage explosion, have created such uncertainty over profits that all investment decisions, domestic or foreign, are made more difficult.

Although FIRA has unquestionably played a role in halting the gobbling up of Canadian firms by foreigners of the fifties and sixties, the irony to-day is that Canadian exports are lagging and the country is running a heavy current-account deficit covered by borrowing abroad. At the same time the federal government's handling of the inflation crisis has temporarily allowed costs to climb much faster than in the U.S. so there is less incentive to invest in Canada except prebys in resources. Net direct investment inflow has changed to a small outflow.

Much of the opposition to FIRA has come from smaller businesses, which for years has complained it has a more unfavourable climate for growth than in the U.S. The Government has promised in the Throne Speech to do something more for small business, partly designed to help it resist take-

overs. The Americans, meanwhile, federal and provincial for growth, have accepted the right of the source development and primary industry, with competition in the market (the federal government has still to get acceptable legislation passed), concentration of power (a federal commission is reporting soon), updating of federal corporation laws, development of the Canadian securities markets and a host of other considerations pre-occupying the federal authorities before the energy crisis.

Recently the Chase Manhattan Bank said FIRA is no longer a bone of contention between the two countries. It is accepted on both sides, sometimes with regret, that the days when Americans came up to Canada, cheque-in-hand, are over.

## 1976. The man whose name is still news.

Today, on the eve of the 125th anniversary of his taking his first London office, a bust of Paul Julius Reuter is to be unveiled in the court of Royal Exchange Buildings, in front of the original site.

125 years of fast, accurate reporting.

هكذا من الأخبار



## Entertainment Guide

**OPERA & BALLET**

**Two miner's daughters in Kentucky: the percentage of poor whites in the community is increasing**

### Percentage of

Income group	Number voting million	voting %
Under 5,000	5	32.3
5-10,000	11.7	39.3
10-15,000	15.8	46.9
15-20,000	8.8	55.4
20-25,000	5.3	58.2
25,000 and over	5.5	61.4

Meanwhile, the Democratic National Committee and COPE, the political arm of the AFL-CIO, have both prepared intensive voter registration drives. The Democrats are well aware that, provided there is no unexpected new economic surge, and Mr. Carter makes no further blunders, they have the numbers on their side.

## OPERA & BALLET

## THEATRES

KAYMOND RESEMBER THEATRE  
 1697 15th St. S. SEATTLE, WA 98104  
 PAUL RAYMOND presents  
 THE FESTIVAL  
 OF ECOTICS 1985  
 FULLY AIR CONDITIONED.  
 You drink and smoke in the Auditor  
 REGENT. 323 2707. Evenings  
 7:30-11:00. 7.00-10.00  
 3RD ECSTASY YEAR  
 New Cost  
 "New Ecstasy Year"  
 LET MY PEOPLE COME  
 AN ADULT MUSICAL  
 "Never get me wrong  
 100 tickets held for sale at 2.00  
 ROUNDHOUSE. 267 2564. From  
 TRADITIONAL JAPANESE DRUM  
 THEATRE TO DANCE  
 ONDOKO  
 "Unique and exhilarating." Tim  
 ROYAL COURT. 330 1748. Evenings

## THEATRES

**ADELPHI THEATRE.** 01-356-1611.  
Evsy. 7.50. Mat. 5.00. Thurs. 5.00. Sat. 6.00.  
IRENE  
"London's best night out. Spectacular  
captivating tunes and racy-comedy." *Pale*  
"SLICK. SUMPTUOUS—THE MUSICAL  
IRENE HAS EVERYTHING." *D. Express*  
IRENE  
CREDIT CARDS ACCEPTED  
NOW BOOKING TO MARCH 1977

**ALBURY.** 836 3875. Evenings at 8.00.  
Mats. Thurs. 3 Sat. 5 and 8.00. Sh. 8.00.  
National Theatre Production  
**MICHAEL JAYSTON**  
**SCULPS**  
by PETER BRAFFER  
Directed by John Dexter  
"STUNNING AND COMPELLING." *Sid.*

**ALDWYCH. 836 5404. - 4th. 836 5322.**  
**ROYAL SHAKESPEARE COMPANY.**  
In **ANTHONY AND JOYCE**  
**OLD WORLD**  
(Tonight at 7.30): In repertoire with  
Bernard Shaw's **THE DEVIL'S DISCIPLES**  
(Frid. 7.30 and Sat. 2.30 and  
7.30) and Chekhov's **IVANOV**.

**AMBASSADORS. 836 1171. Red. Price**  
Prov. Tues 8. Opens Wed. next at 7.  
Subs. 8. Tues. 8.30. Late 5.30-7.30.  
**NIGEL PATRICK AND JENNIFER CALVERT:**  
**ISABEL DEAN, JENNIFER HILARY**  
In Denis Cannan's new play.  
Dinner and Top Price Seat 55.30 Incl.

**AMBAASADORS.** 01-836 1171.  
Evenings 8.0. Sat. 5.30.  
**HAPPY AS A SANDWICH**  
2nd year of Devised Musical.  
"Wonderful. Don't miss it." D. Exp.  
Dinner/Ton price seat 56 incl.  
Transfer to Westminster. Oct. 18.

**APOLLO.** 01-437 2663. Evenings 8.00.  
Mat. Thurs. 5.00. Sat. 5.30 and 8.00.  
Pauline COLLINS. "D. EXP. n)  
**ARE BRILLIANT."** D. Exp. n)  
**CONFUSIONS**  
"Super Alan... for the audience  
such a wonderful evening." Sun. Times.

**ARTS THEATRE.** Mon. to Thurs. at 8.30.  
Friday and Saturday 7.30 and 9.15.  
**TOM STOPPARD'S**  
**DIRTY LINEN**  
"Hilarious." Sunday Times.

**"BLAZES INTO DRAMATIC LIFE"**  
Sunday Express  
Mat. W. 3.00. Eve. 5.50 and 8.15.  
Peter Wynn and Elizabeth March.  
"Nyree Dawn Porter is superb." Mirror.  
**ANASTASIA**  
"GRIPPING FROM START TO FINISH."  
Time Out. "GLITTERING." D. Mail.  
"ROMANTIC." "SINICATING."  
"MYSTIFY." Daily Telegraph. "YOU  
WILL GET FULL VALUE." Daily Mail.  
THREE WEEKS ONLY. Price £1 to £2.

**COMEDY** 930 2578. Evenings 8.50.  
Mat. Thurs. 5.00 and 8.50.  
Winner of all the Awar  
**BEST PLAY OF THE YEAR**  
Michael Gambon in Simon GRAY'S  
**OTHERWISE ENGAGED**  
Directed by Harold Pinter

**CRITERION.** 930 3216. LAST 3 WEEKS  
Evs. S. M&Z. Thurs. 3. Sat. 5.00. E.30

AAC CROSBIE  
**MICHAEL BRYANT**  
**JUDY PARFITT ANNETTE CROSSIE IN**  
**THE RARE RACE**  
by Felicity Browne  
"Very funny, brilliant...an evening  
of delight." H. Mosses. Sun. Times

**DRURY LANE.** 01-836 8108. TWENTIES 5  
Thurs. Matinee. Sat. Sun. Sat. 5.00.  
A CHORUS LINE

"A RARE DEVASTATING JOYOUS  
ASTONISHING STUNNER." Sun. Times

**DUCHESSE.** 836 8243. Evensings 6.0.  
Friday, Saturday, £15 Sat. 9.0.

OHI! CALCUTTA!  
NOW IN ITS 7TH YEAR!

"Brilliantly entertaining." Tel

**"The Nudity is Stunning," D. Tel.  
BOOKING THROUGH SPRING 1977**

**DUKE OF YORKS. 01-635 5122.**  
Evenings 8.00. Wed., Sat. 6.00 and 8.45.  
**TEAR**  
**SCOTT WHITEFIELD**  
**A BEDFOL OF FOREIGNERS**  
**GEMINEL HILARIOUS** (L. Gdn.)  
Dinner: Top price seat 2.50 inc.

**ELLE at LUI. 01-437 2661.**  
Walker's Court, Brewer Street, W.1.  
(next to Raymond Revoeur)  
**PAUL, RAYING presents**  
**PENETRATION**  
An Erotic Adventure in French Parody  
and Fantasy  
Opens Mon, Oct. 13. Press. from Thur  
Nightly 8.15 and 10.15.

**PORTUNE.** 8. Sat. 5. 835 2238.  
M. AMI. ANGERS. EVANS. ROBERTS. H.  
IN AGATHA CHRISTIE'S  
MURDER AT THE VICARAGE  
AND GREAT VUE

**GARRICK THEATRE.** 01-335 4501.  
Evenings 8.00. Fri. Sat. 8.00 and 8.40.  
RICHARD BECKINSALE is  
"Side-splittingly funny." Daily Mail.  
in "PUNCH."  
"Mike Stott's exceptionally fine, vastly  
entertaining, brilliant comedy." S. Times.  
"More good to come from this actor, play  
in London." Observer.

**GLOBE.** 01-437 1392. Evenings 8.15.  
Mat. Wed. 3.00. Sat. 8.00 and 8.40.  
THE MARK TWAIN STORY. PETER JACOBSON  
and PENelope KEITH. "The JURY"

woman in the West End Guardian.  
 "MICHAEL FRAYN's delightful comedy."  
 Evening Standard. "Two hours of  
 bubbling laughter." Daily Mirror.

**GREENWICH, Crooms Hill, S.E. 10. 850.**  
**7755** **SEVEN 7.50 M. Sat. 2.50**  
**SCRIBES by Barrie Kerr**

**HAYMARKET. 01-930 9632**  
**OPENS TONIGHT AT 7.00**  
 Subst. Evens 7.45 Sat 5.00 and 8.15.  
**GOLD DUSTING by JOHN GASHIRE,**  
**John McCallum, Clive Francis,**  
**Martin Jarvis and Bill Fraser in**  
**The Chances of Theatre's**  
**Production of Somerset Maugham's**  
**"THE CIRCLE"**

**HER MAJESTY'S. 950 6606. Opens at 8.0.**

IPI TOMBI  
 \*PULSATING-MUSICAL Eve. News.  
 Starts 7:30 to 5:0p.  
 KING'S ROAD THEATRE 752 7486.  
 Mon. to Th 9.00. Fr. Sat. 7.50, 9.30  
 THE ROCKY HORROR SHOW  
 BEST MUSICAL OF THE YEAR  
 \*Impossible to  
 NOW in its 4th ROCKING YEAR  
 LYRIC. 01-437 3686. Evening. 8.00.  
 Mid. Wed. 3.00 Sat. 5.00 and 8.30  
 SMELLS AND NAKED MEN  
 in the  
 BED BEFORE YESTERDAY  
 A Comedy by BEN TRAVERS  
 \*STILL THE BEST COMEDY IN  
 LONDON \*Daily Mail.  
 LITTLETON (new National Theatre) 928  
 2252 Tom's Mon and Tue 7.45 Tomer

Howard: Fri 7:45	Sal 10:10 and 8:45	
Jammers: Over 100 excellent 11 seats		
on Sat. day and Fri. from 8:30 am		
to 10:10		
<b>MAY FAIR, 629 1056, 493 2031.</b>		
<b>Eves. 8:15 - Fri. Sat. 9:0 and 8:45.</b>		
"She really is the crown and clown queen of		
the musical satire." D Mail "Has light's		
audience hysterical with laughter." P.T		
Star "A first class musical comedy."		
<b>MERMAID 248 7955. Fours 248 2835</b>		
<b>Evenings 8:00 Mat. Thurs. Sat. 3.0</b>		
<b>FOR KING, LAM, COUNTRY</b>		
<b>by John Wilson.</b>		
"A riveting production" as splendid		
as "Journey's End." Ex. Express.		
"A splendid production. The story is timely		
play." Daily Telegraph.		

NATIONAL THEATRE		SHOWS 8PM & 10:30.
OLIVER AND LYTTELTON		
NEW LONDON, Drury Lane, 405 0072.		
London's New Sausy Comedy! Kates Mering.		
Peter Denner. Prime Time! Townsend and		
Jenny. 7.30. Sat. 6.0 and 8.45		
Mon-Thurs. 8.0. Fri., Sat. 6.0 and 8.45		
Reduced Prices Fri. 6.00 pfr.		
OLD VIC	7.30. Mat. 2.15	01-922 7618.
LEONARD ROSSITER, JOHN STRIDE,		
DILYS LAYE, JOHN PHILLIPS		
in "PETER AND THE WOLF"		
FRONTIERS OF FEARCE		
by TROUDAY & FEEDKING		
I CAN'T REMEMBER THE DANCING SEIN		
A FUNNIER PLACE, Times.		
"I CAN'T REMEMBER THE DANCING SEIN"		
"ENORMOUSLY FUNNY" D. Express		

[illegible]

6 PERFORMANCES. Nov. 5-13.  
**PICCADILLY.** 437 4806 Mon. to Fri. 8.  
 "The Great Waltz" 8.15 Sat. and Sun.  
 Jerome Kern and Max Baer  
 "VERY GOOD RUDIE!"  
 "LOVELY" 8.15 Sat. and Sun.  
 "HEAVEN TO THE DELIGHTFUL" 8.15  
 "Absolutely enchanting" 8.15 Sat. and Sun.  
 "N.Y. TIMES OVER 200 PERFS."  
**PHOENIX THEATRE.** 01-83 8011  
 "The Great Waltz" 8.15 Sat. and Sun.  
 "CARTS BLANCHE"  
 "OFFERS A VARIETY OF SEXUAL  
 "SAGGERS" 8.15 Sat. and Sun.  
 "SUMPTUOUSLY STAGED."  
**PRINCE OF WALES.** 01-81 8881  
 "The Great Waltz" 8.15 Sat. and Sun.  
 "MICHAEL CRAWFORD  
 "BRILLIANTLY STAGED."  
**THEATRE.** 01-81 8881  
 "The Great Waltz" 8.15 Sat. and Sun.  
 "MICHAEL CRAWFORD  
 "BRILLIANTLY STAGED."

KAYMOND RESEMBER THEATRE  
 1697 15th St. S. SEATTLE, WA 98104  
 PAUL RAYMOND presents  
 THE FESTIVAL  
 OF ECOTICS 1985  
 FULLY AIR CONDITIONED.  
 You drink and smoke in the Auditor  
 REGENT. 323 2707. Evenings  
 7:00-11:00. 7.00-10.00  
 - THIRD ECSTASY YEAR -  
 New Cost  
 - New Cast -  
 LET MY PEOPLE COME  
 AN ADULT MUSICAL  
 "Never get me wrong  
 100 tickets held for sale at 2.00  
 ROUNDHOUSE. 267 2564. From  
 TRADITIONAL JAPANESE DRUM  
 THEATRE TO DANCE  
 ONDOKO  
 - Unique and exhilarating. Tim  
 ROYAL COURT. 330 1748. Evenings

**MOTHERS' DAY**  
A comedy by DAVID STOUT  
SEE ALSO THEATRE UPSTAIRS

**ST. GEORGE'S** 01-509-  
49, Turnell Park Road, Wellington,  
(Turnell Park Tebe)  
All unoccupied seats after 7.20 p.m.  
1.00 for C.O.D.S and students  
Last ticket 10.30 p.m.  
**PETER MCENERY, SARAH BAKER**  
**ROMEO AND JULIET**  
Tues. & Fri. 7.30 Sat. 2.30,  
Admission in  
**RICHARD III**  
SEASON CLOSING OCTOBER 1  
THEATRE RE-OPENS MARCH

**SAVOY** 836 Evenings of  
Sat 3.0 and 8.00. Matinees Wed.

ROBERT MORLEY, GEORGE COLE, FRANK TRAVIS  
 BANANA RIDGE  
 "HILARIOUS SUCCESS," D. T. S.  
 ST. MARTIN'S, 836 1443, Evenings  
 Mat. Tues. 2:45, Sat. 5:00 and  
 AGATHA CHRISTIE'S  
 THE MUSETRAP  
 World's longest run, Sat. 24th  
 SNOW, 01-366 1394, Evenings  
 ROMEO AND JULIET  
 STRAND, 01-836 2660, Evenings  
 Mat. Thurs. 3:00, Sat. 5:30  
 Doris Harr. McDonald-Hobley,  
 Arthur Howard, Barry McGill.  
 NO SEX PLEASE  
 HERE  
 Directed by Allen Davis  
 The World's Greatest Laughter

**TALK OF THE TOWN. 01-734**  
**FULLY AIR-CONDITIONED**  
 From 8-15. Dining and Dancing At  
 Rensselaer Street  
 and at 11 p.m. **JULIE ROGER**  
 Opening Tuesday night  
**DREAM EXPRESS**

---

**TH. JOINT. 730 2554. 4 p.m.**  
**BUCKINGHAMSHIRE by Carole Chase**

---

**VAUDEVILLE. 8-10. Sat. 5.00 01-836**  
**Evelyns B.O. Sat. 5.00 01-836**  
**GERALD HARPER**  
**HANNAN GORDON**  
**UNA STUBBS, PRUNELLA E**

---

**"WITTY AND VERY FUNNY." E**  
**LAST WEEK must end Saturday**

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**VAUDEVILLE. 836 9885. Red. Price**

Tue. Wed. next 8. Opens Th. Oct. 2  
Subs. 8. Tue. 2.45, Sat. 5.30.  
JULIA LOCKWOOD HIGH PAID  
PHYLLIDA LAW  
OUT ON A LIMB  
A New Comedy by Joyce Marjano  
VICTORIA PALACE 11-534-7  
Opens November 10. A  
CILLA AT THE PALACE  
with her friend  
JIMMY TARBUCK  
WESTMINSTER 834 0283. Eve.  
Mal Wed. 2.50, Sat. 5.00, 8.30  
LAPSY  
2nd Year of Delightful Hit Music  
TRANSFERS HERE OCTOBER 18  
WHITEHALL 930 6692-7765. Eve.  
Sat. 6.00 and 8.45. Mat. Wed.

**"MARVELLOUSLY COMIC,"** Ev. M.  
Terrence J. **ALEXANDER** **DOWNS**  
**FRINGE BENEFITS**  
Stripper and Top-price seats **\$5.30**

**WINDMILL THEATRE** 437 6  
Two Nightly at 8:00 and 10:00  
**PAUL RAY** presents  
**RIP OFF**  
**THE EROTIC EXPERIENCE OF**  
**THE MODERN ERA**  
An entire production  
You may drink and smoke in the  
Auditorium.  
"Takes to unprecedented limits what  
permissible on our stage," Evening  
**WINDMILL'S** 636 3028 Ev. M.  
Fri. & Sat. 5.15  
**MILFORD** **WILKS** **McKENNA**

David Kernan, Ned Sharrin in  
SIDE BY SIDE BY SONNHEIM  
"If you are planning to speed-  
evening in the musical theatre this  
I strongly suggest you make it Side  
Side by Sonndheim. If you are plan-  
to spend two GO TWICE. If you  
GO THREE TIMES. Clive Barnes, 1  
YOUNG VIC (by Old Vic) 828 6  
Tonight 7.45 JANET CLEGG  
(A1 Musical 800)

**CINEMAS**

ABC 1 & 2, SHAFTESBURY AVE.-835 6  
dep. Pers. ALL SEATS BOOKABLE  
7. PM. AN HANGING ROCK  
WK. 5. 8. 30  
2. SEVEN NIGHTS IN JAPAN (A)  
7. 8. 30

6. Sep. 2.00. 5.15. 8.15.  
CURZON. Curzon Street W.1. 499 37  
Katharine Hepburn. Paul Scofield in  
DELICATE BALANCE (AA). Film 1  
3.40. 5.10. 8.20. Last Day.  
EMPIRE. Leicester Square. 437 1234.  
seats may be booked at the box office  
from 1.30. 5.15. 8.15. RKO (A). Sep. 6.  
Progs. 2.30. 5.30. 8.30.  
LEICESTER SQUARE THEATRE (930 52)  
Neil Simon's - Comedy MURDER  
DEATH (A). Sep. progs. Div. 2.30. 5.  
8.30.  
ODEON. Haymarket. (930 2738-27)  
TAXI DRIVER (X). Sep. progs. Div. 1.  
1.30. 5.15. 8.15. Times. Mon.-Sun.  
2.05. 5.20. 8.50. All seats may  
be booked.

**DEON**, Leicester Square. (930 6111)  
**THE OMEN** (X). Sep. prog. Dly. 12.  
 2.55, 5.40, 8.55. Seats 400, by p.  
 or at Box Office for Mon.-Fri. 8.35  
 and Sat. and Sun. all progs.

**DEWEE**, Marble Arch. (723 2011)  
**THE OMEN** (X). This's Rep's  
 Seen A Movie Like It. Sep. prog. 8.  
 2.30, 5.30, 8.30. All seats may  
 be booked.

**LAZA** 1 and 2. Lower Regent Str.  
**SWT**. 437 1234. Sep. perts. All seats  
 1.10. 7.10. 8.10. 8.10. 8.10. 8.10.  
**OBSESSION** (AA). Daily 2.00, 3.40.  
 6.05, 8.25.

**THE BIGGEST** (A). Prog. weeknds  
 2.20, 4.45, 6.45, 8.45.

**THEATRE**

**CHARLES LEE**, Sat. 8.47 p.m.  
The Great Impersonator  
**THE SEVEN YEARS' PRINCE**  
and Only Original **EMMAUWEL**  
X.L. Sep. Perfs. Div. Inc. Sat. 2.15  
9.00. Late show. Fri. & Sat. 11.4  
Seats bookable. Licenced Bar.

**CENE 1, 2, 3, 4.** Leit. Soc. (Warrior St.)  
Late show Fri. and Sat. 11.55. Redroofs  
all the PRESIDENT'S  
PROGRESS, 2.55, 8.55, 8.55  
Late show Fri. and Sat. 11.55  
**CENE 2.** Cont. perfs. daily 12.55  
Late show Fri. and Sat. 12.00. DRUM (2)  
Process, 2.55, 3.05, 8.20, 7.30, 9.A  
Cont. show and Sat. 10.00  
**CENE 3.** Cont. perfs. daily 1.20  
Late show Fri. and Sat. 11.30 THE MESSIAH  
Fri. 1.20, 4.45, 8.03. Late show Fri. at 10.00

CENE 4. Cont. perf.	daily	12.55.	L
Progs. FN. and Sat.	11.50.	JAWS (A)	
Progs. Fri. and Sat.	8.20	9.05.	L
WEDNESDAY WEND.	Sat.	11.50.	
791.			Leicester Square
Reford-Hoffman.			
THE MEN (AA).	All the PRES.		
.05. 6.05.	Con. perfs.	2.0	
PRODUCTION (A).			
.35. 6.30. 8.30.	Cont. progs.	2.4	
Stanley Kubrick's	BARRY LYND		
A. Ryan O'Neal.	Maria Berengo		
air-conditioned.	Sep. progs.	2.9	
.30.			
Clint Eastwood.	THE OUTLAW JOE		
SALES (AA). Sep.	perfs.	2.30. 5.11	
.00.			

# ART GALLERIES

**MACAGH'S**, 14 Old Bond St., W. Y.  
 -#91 7408. ENGLISH WATER  
**COLOURS**, DRAWINGS AND Mon-Fri  
 10-5. Sat. 10-5. October.

**DELBORNE GALLERIES**, 63, Ques  
 -#91 N.W.5 506 3400. RODNE

**BURN - RETROSPECTIVE**

**ST. LONDON EXHIBITION**. London  
 -#91. Paints and Drawings by L  
 -#91. October 12th at noon-Saturday  
 -#91. Dail. 10-5.30. Saturdays 10-  
 -#91. Temper, S.A., 168, Grafton St., Bond St  
 -#91. Dail. WIX 3LF.

**MILBURN GALLERY**, 273 Queen Mary College, Mile End Road, E1 4NS. JAN HOOGSTEDT  
10-5.

**MILBURN GALLERY**, 6 Albemarle St., W. 1.  
JAN NELLENS 1st November to 1st December.  
**GRAPHICS**. Nations and leading con-  
temporary artists. Until 28th Oct. Mon-Fri  
9-5-30. Sat. 10-12.30.

**MILKIN GALLERY**, 17, Matcombe Street,  
W. 1. 2nd Nov. Summer Exhibition  
including British Painters in 2d  
and 3rd years.

**MURPHY GALLERY**, RORY MCWEEN  
Paintings and Drawings, 12 October  
to 11 November, 20 Cork Street, London, W.1.

**NATIONAL ACADEMY OF ARTS**, 87-92  
Piccadilly, W. 1. L. LOWRY, R.A. Until 14 Nov.  
10-5. 1st Nov. 10-5. 2nd Nov. 10-5. 3rd  
Nov. 10-5. 4th Nov. 10-5. 5th Nov. 10-5.

**MICHELANGELO MADONNA AND  
HER TREASURES IN THE PRIVATE  
COLLECTIONS** including a Memorial Exhibition  
of her work. U.S.A. until 31 Oct.  
1974. 10-8 closed Tuesday, 5PM. 2-5.  
**MAISON STREET GALLERY, 155, Soane  
S.W.1.** Modern paintings, sculpture  
+ graphics by interesting international  
artists. Wide range of prices. Tues.-Fri.  
5-5.30. Sat. 10-1.

**THOMPSON BROWN GALLERY, 4, Friar  
Street, London, W.C.2.** 10-1-5.45  
Contemporary paintings of the English  
countryside by MERVYN GOOD.  
7 days a week. 10-7 until Oct. 17.

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shows at 10.45, 12.45, 1.45 and  
a lot of Johnny Warburton's & friends.

**183. 69 Dean Street, London, W.1**  
**5TH/15TH FLOOR SHOW**  
**SEX REVOLUTION**  
at 10.45, 12.45 & 1.45. Johnny  
Warburton. Close contact. - 517 8415.

## DITY MARKET

**SUBJECT:** [REDACTED]  
**DATE:** [REDACTED]  
**TIME:** [REDACTED]  
**LOCATION:** [REDACTED]  
**STATUS:** [REDACTED]

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Special Report

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## Technical rally in leaders but turnover at low ebb

### Share index up 7.5 at 293.6—Gilts make progress

7.63	7.58	7.34	7.07
23.67	22.30	21.38	20.89
6.51	6.62	6.90	7.06
6.279	4.090	6.012	4.636
68.55	54.89	60.05	33.38
14.926	11.561	11.404	8.821

A. Nees 3242, 1 p.m. 2013.  
 2 1/2 2044.  
 corporation tax. (b) ND=624.  
 fixed int. 1223. Int. Ord. 1/7/55.  
 1942.

**S.E. ACTION**

Amplison	—	Oct. 12
Low		

49.18	Daily		
(3/1/76)	Gill-Edged	216.8	21
	Industrials	142.2	17
30.65	Speculative	40.6	4
(3/1/76)	Totals	109.6	12
49.4	o-day A.V. %		
(3/6/40)	Gill-Edged	196.5	19
	Industrials	156.3	15
43.5	Speculative	56.2	5
(3/10/71)	Totals	117.5	13

Mount Lyell dropped 19 years' low of 40c last month when it was learned that the strike will incur very substantial, in 1976-77 unless there is a substantial increase in the price of gold. The decline in the Australian dollar against the U.S. dollar also helped.

Premium influences — as with the unimpressive performance of the bullion price, which finally uncaged at \$1244.85 on September 15 — caused Golds to drift lower. The Mines index consequently fell 1.7 to 108.5. The first of September gold mining was reported to have been down 1%.

Financials were mixed. Fields closed 7 off at 125½; the increased dividend; new earnings were in line with expectations. Rio Tinto Zinc's share price higher by 1½ pence, pushing its year's low up

which reflected fears—later, firmed—of mechanical trouble the Rossing uranium mine

**These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries**

15.70 15.70 15.70 15.70														
FIXED INTEREST		Tuesday, Oct. 12		Monday, Oct. 11	Friday, Oct. 8	Thursday, Oct. 7	Wednesday, Oct. 6	Monday, Oct. 4	Friday, Oct. 1	Year ago approx.	1978 Share Completion			
		Index	Yield %								High	Low	High	Low
1	Consols 2½% yield ...	...	15.55	15.55	15.53	15.40	15.05	14.93	14.93	14.91	14.75	—	—	
2	20-yr. Govt. Stocks (6)...	43.87	15.04	42.69	42.80	43.38	44.59	45.07	45.50	45.11	47.55	55.45	42.69	38.37
3	20-yr. Red. Deb. & Loans (15)	44.01	16.66	44.06	43.81	44.49	46.37	46.51	46.53	46.76	46.85	52.40	43.81	37.01
4	Investment Trust Prefs. (15)...	41.59	16.72	41.54	40.92	41.25	44.09	44.55	44.12	44.43	45.33	51.25	40.92	34.45
5	Coml. and Indl. Prefs. (20) ...	55.15	17.65	55.01	54.89	55.84	60.01	60.85	60.87	61.47	62.59	71.97	54.89	47.67
												526	47.67	39.15
Sector or Group		Base Date	Base Value	Sector or Group		Base Date	Base Value	The Financial Times, Bracken House, Cannon Street, London, EC4P 3EY, price 15p, by post 20p.						
Overseas Traders		31/12/73	100.00	Insurance Brokers		29/12/67	96.47							
Engineering (Heavy)		31/12/73	325.84	Mining Finance		29/12/67	100.00							
Engineering (General)		31/12/73	125.71	All Other Sectors		31/12/67	100.00							
Wages and Salaries		16/1/70	144.76	PT-Activities		31/12/67	100.00							
Yards and Games		16/1/70	135.72	members of the Exchange (Telegraph Group) as an										
Office Equipment		16/1/70	162.76	calculated by Essel Communications Limited (a										
Industrial Group		31/12/70	176.20	IBM 370 computer.										
Miscellaneous Financial		31/12/70	128.96	A list of the constituents of the PT-Activities										
Food Manufacturing		28/12/67	114.13	Share indices is now available from the Publishers.										
Food Retailing		28/12/67	114.13											

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# FINANCIAL TIMES

Wednesday October 13 1976

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## U.K. asks Nkomo, Mugabe and Muzorewa to Geneva

BY OUR FOREIGN STAFF

BRITAIN HAS invited three African leaders to represent the Nationalists at next week's Geneva conference on Rhodesia. They are Mr. Joshua Nkomo, Mr. Robert Mugabe and Bishop Abel Muzorewa.

Announcing this in the Commons yesterday, Mr. Anthony Crosland, the Foreign Secretary, said he had invited Mr. Ian Smith, the Rhodesian Prime Minister, to nominate representatives from his ruling Rhodesian Front Party.

The delegations are due to assemble in Geneva on October 21. The conference proper is to start on October 25 under the chairmanship of Mr. Ivor Richard, British Ambassador to the UN.

In Salisbury Mr. Smith announced yesterday that he would take a five-man delegation to Geneva. The group will comprise Mr. David Smith, the Deputy Prime Minister and Minister of Finance, Mr. Mark Partridge, Minister of Lands and Natural Resources, Mr. P. K. van der Byl, Minister of Foreign Affairs, and Mr. Hilary Squires, Minister of Justice.

The leader of one wing of the divided African National Council, Bishop Muzorewa, is expected to announce his delegation in Salisbury today. It is not known when the rival ANC leader Mr. Nkomo, and Mr. Mugabe of the Zimbabwe African National Union will name their teams.

Speaking in Dar-es-Salaam, Tanzania, yesterday, Mr. Mugabe again said that unless the blacks controlled the armed forces in an interim Government the conference could be a non-starter. In Salisbury Mr. Nkomo called for a deferment of the conference, saying more time was needed for the Nationalists to prepare.

Last week-end M. Nkomo, who is head of the Zimbabwe African People's Union, formed a "Patriotic Front" with Mr. Mugabe. It is expected that both leaders, despite their announced misgivings, will attend the conference. What is not clear is whether they will select separate delegations under their individual leaderships or head a mutually agreed group.

Mr. Nkomo and Mr. Mugabe, whether separately or in union, will claim to speak for the Rhodesian guerrilla movements in Mozambique, and in particular ZIPA, the Zimbabwe People's Army.

In London Mr. Crosland appealed to MPs not to press him on recent statements about the conference or the negotiating positions of the parties.

All three Nationalist leaders have rejected the detailed Kissinger proposals as announced by Mr. Ian Smith in his broadcast last night. Mr. Smith said that there would be a two-year transition period to majority rule during which a Council of State with an equal number of black and white members, but a white chairman, would draw up a constitution.

There would be an interim Government with an African "First Minister", but with the key portfolios of Law and Order and Defence retained by whites.

The Nationalists see the Geneva Conference as an opportunity to reopen discussion on these points, which Mr. Smith has said repeatedly are non-negotiable. In particular the African leaders want it to become a proper constitutional conference, and not just a meeting to agree on composition and structure of the interim Government.

Mr. Crosland made it clear that Britain regarded the Kissinger plan as still negotiable. "It would not be helpful to become embroiled, before the conference was opened, in a public discussion of issues which can only be decided at the conference itself," he said.

Mr. Crosland said that Mr. Richard had had "useful exchanges" in London and New York with a number of African Foreign Ministers.

The Foreign Secretary said he had sent his special adviser on African Affairs, Mr. Denis Grennan, to the Zambian capital of Lusaka "to assist the process of liaison during the run-up to the conference."

Asked whether the Rev. Ndabaningi Sithole, former leader of ZANU, whose position has been taken over by Mr. Mugabe, would be invited to the conference, Mr. Crosland said that subject to further consultation with the African Front, he would be prepared to make further invitations if that would increase the chances of success.

Mr. Crosland made it clear that the Geneva meeting would be only one stage in the move towards independence. There must later be a full-scale constitutional conference, followed by a legislation in the Commons.

Asked by a former Commonwealth Secretary, Mr. Arthur Bottomley, how much the British taxpayer would have to pay "to bail out the white Rhodesians who had rebelled against the Crown," Mr. Crosland said he hoped the cost of the transfer of power would be an international operation, giving increased opportunities for African development and encouraging Europeans to stay in Rhodesia and play their part.

## U.K. may enter Swedish N-deal

By David Fishlock, Science Editor

BRITAIN AND France may undertake to reprocess Swedish nuclear fuel in the 1980s. This would enable the Swedish electricity industry to comply with conditions under which the new Government is prepared to allow its nuclear stations to continue operating.

Continuation of nuclear energy production was a key issue in the recent general election.

The latest stage in negotiations, kept secret throughout the election, was in Paris yesterday, when officials of the Swedish Nuclear Fuel Supply Company met United Kingdom and French nuclear reprocessing organisations.

The contract for reprocessing the fuel may be worth about £100m. It covers the installation of 10,000 MW of nuclear capacity by 1985.

Sweden has announced that this programme is to continue subject to certain conditions concerning reprocessing of spent fuel and disposal of radioactive waste.

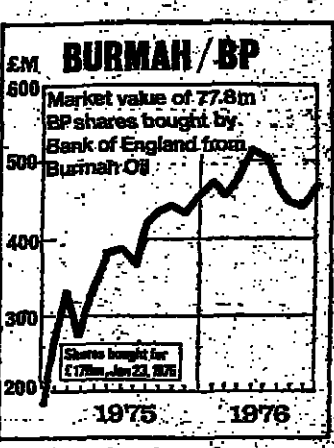
In contrast to statements in the election campaign Mr. Thorbjörn Fälldin, the Premier, intends no precipitate closure of the country's five nuclear plants. Fuel-loading at Barseback 2, the sixth plant, due to generate its first power next year, is expected to proceed according to plan this autumn.

But the Government has announced that electrical utilities must make "acceptable" arrangements for their waste. It has threatened that if acceptable provisions are not forthcoming for Barseback 2 station by October 1 next year the fuel about to be loaded must be unloaded again.

## Tension mounts at Burmah

Index rose 7.5 to 293.6

The news that Burmah Oil is suing the Bank of England markedly steps up the tension in this long-running drama. Burmah is calling for the unwinding of the deal whereby the Bank of England acquired for £179m. BP shares worth £451m. At 30p, Burmah's own capitalisation is only £95m. The grounds for the legal action are still not being disclosed, but the Burmah Shareholders' Action Group has claimed on the basis of advice from Counsel that the deal could have been in conflict with the Bank's legal responsibilities as an effective mortgagee. And Burmah has now embarked on a course of action which the BSAG will scarcely allow it to abandon.



Burmah's latest views on the subject are being posted to shareholders next Monday, together with details of its recent major disposals—namely concerning the U.S. oil and gas interests, and the Minian stake. Meanwhile, the interim statement gives a picture of continuing losses, slightly greater than last year at the net attributable level, where the six-month deficit is £13.8m. against £23m. in the whole of 1975. The shape of the trading statement has been substantially changed by the exclusion of the U.S. operations sold with effect from the start of the year.

Non-tanker trading profits are halved compared with the first half of 1975, but the depreciation, interest and tax charges are a great deal lower.

The tanker outlook remains as bleak as ever, with half-time trading losses up from £17.5m. to £24.7m. following the depreciation of sterling; moreover Burmah has had to make provisions against some of its doubtful charter parties. The financing of the General Dynamics LNG tankers remains to be settled, so the \$8-\$9m. a month cash drain continues. At least there is little erosion of the book equity interest, with a loss of only £3.5m. after exceptional items compared with end-December net worth of £314m. But then Burmah has still not made a provision against its long-term tanker commitments, and these will have been swelling nastily in sterling terms.

### Bishop's move

The leader of one wing of the divided African National Council, Bishop Muzorewa, is expected to announce his delegation in Salisbury today. It is not known when the rival ANC leader Mr. Nkomo, and Mr. Mugabe of the Zimbabwe African National Union will name their teams.

## Tories accuse Crosland

By Philip Rawstorne

MR. ANTHONY CROSLAND, Foreign Secretary, was angrily accused in the Commons yesterday of hedging on the Government's position over the terms of a Rhodesian settlement.

Conservative backbenchers, shouting "Double-cross" and "Sell out," tried unsuccessfully to secure an emergency debate on Mr. Crosland's "equivocation" about the extent of Government support for the settlement proposals announced by Mr. Ian Smith.

Later Mr. Reginald Maudling, the Shadow Foreign Secretary, issued a statement that Mr. Crosland's answers had been "totally inadequate."

The Foreign Secretary, under persistent questioning by Mrs. Margaret Thatcher and Mr. Reginald Maudling, said that Mr. Smith's proposals reflected ideas previously discussed by Britain, the U.S. and African leaders. "They form a useful basis for further discussion," he said.

But Mr. Victor Goodhew, (Con., St. Albans), said that when he saw Mr. Smith last Saturday, the Shadow Secretary, he was told that a package deal had been put to him by Dr. Kissinger which Britain would support. Rhodesia's African leaders, Page 18; Parliament, Page 15.

### £100m. cost

The contract for reprocessing the fuel may be worth about £100m. It covers the installation of 10,000 MW of nuclear capacity by 1985.

## Commission agrees TV rental increase

By Max Wilkinson, Industrial Staff

A SUBSTANTIAL increase in television rental charges has been announced by the Price Commission. Agreement was reached with the Price Commission in July, only three months before the industry was condemned for making excessive profits.

British Relay was told by the Commission that it could increase charges by about 10 per cent, but yesterday a spokesman said that it would go ahead with increases averaging 7.5 per cent. for its 500,000 customers.

Last week, the Price Commission said in a report on the rental industry the return on capital employed in 1975-76 was 19.4 per cent, and pre-tax profits were £60m. It suggested that customers were being over-charged.

Yesterday's increase underlines the fact that all the companies have complied with the Price Code. The Commission in its report last week found no evidence of infringements.

Mr. Frank Hall, finance director of British Relay, said: "Increases ranging from 5 to 9 per cent. were needed to meet increased wage and transport costs. The company was following the other large rental firms who have all increased their charges in the last year."

British Relay is the smallest of the big five rental companies and has about 10 per cent. of the market. Its last price increase was 5 per cent. a year ago, and charges went up 9 per cent. two years ago.

"This means that our charges have only gone up 14 per cent. at a time when average prices have increased by about 50 per cent," Mr. Hall said.

The company says that it needs an extra £1.25m. to cover increased wages and costs.

The Price Commission said that it could not comment on the price notification of an individual company.

However, it was not able to prevent a company from putting up charges if the proposed increase came within the terms of the Price Code.

Last week's report was made in response to a more general reference by the Government about profit levels, and was therefore able to comment on profitability outside the terms of the code.

On Monday, Mr. Roy Hattersley, the new Prices Minister, told the Commons that he would be giving his comments on the Price Commission report this week, or early next week.

Mr. Hall said: "The timing of this increase is embarrassing for us, but we delayed it as long as we could. I think most of our customers will understand that the increase is not unreasonable."

A spokesman for the National Television Rental Association said: "We believe that a 19 per cent. return on capital which the commission reported for the industry is not unreasonable, particularly in view of the recent increase in the minimum lending rate. Rental companies will have to make this sort of profit in future if they are to survive and invest."

See Lombard, page 2

## Leyland Cars to step up output at two plants

By Terry Dodsworth and Arthur Smith

LEYLAND CARS is stepping up output at two of its largest plants—Covley, Oxford, and Solihull, near Coventry—the company announced last night.

The plans, which suggest that Leyland is discounting any serious threat to car demand because of the Government's recent economic measures, and putting last week's row over the Rover 3500 model two years behind mainly involve two of the company's more expensive models, the Princess and the Rover 3500, both of which have been in short supply over the past few months.

The expansion of Rover output will be particularly welcome after the low build-up since the launch of the 3500 model two months ago. The car has had a good reception and developed a six-month waiting list, but production encountered problems as the new £27m. assembly and paint plants at Solihull were being "run in."

The plan is to open a second assembly line at Solihull this month, while stepping up production on the first line by 30 per cent. to its one-shift capacity of 600 cars a week.

The second line will start at 300 cars a week but it is scheduled to double output by the end of the year. More than 300 workers have been recruited in recent weeks to help make the expansion easier, and some workers are being switched over from the 2200 assembly lines.

Negotiations have also opened with the unions for the introduction of night shifts on the Rover 3500. Leyland hopes the first line will be operating early next year.

At Covley, the expansion plans will boost employment by 350 workers, and push output up from 5,000 to 6,000 cars a week, the highest at the plant for at least five years.

Some 600 of the new workers will go into the assembly plant, and 250 into the body works, but the total number of production workers at Covley—15,500—will still be well below the peak. By the end of the year, it is expected that the Princess, which has never met its demand either at home or overseas since its launch 18 months ago, will be produced at the rate of almost 3,000 units a week.

Marina production will also be going up to 3,400 a week, the balance being made up by the Maxi, which is produced on the same lines at the Princess.

Since production of the Rover 3500 started in the spring, some 2,500 vehicles have been sold, and Leyland reports orders in hand for twice that number.

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### Reprocessing

The Government will discuss the arrangements proposed by the supply company, acting on behalf of the utilities, for the reprocessing of spent fuel at the Windscale factory of British Nuclear Fuels. It is that the customer must be prepared to take back the more highly radioactive residues. Swedish utilities have said that they think this a fair condition.

### Commission plan

The Swedish Government plans a special commission, along the lines of the Royal Commission on the Environmental Pollution, to examine the environmental impact of its nuclear power programme. It has called for an emergency plan to be drawn up for energy supplies if the nuclear industry cannot demonstrate "acceptable arrangements" for reprocessing and waste disposal.

Present energy policy assumes that nuclear plant will account for about two-fifths of Sweden's electricity requirements by the mid-1980s.

### Callaghan for talks in France

By Philip Rawstorne

MR. JAMES CALLAGHAN, the Prime Minister, is to visit France for talks with President Giscard d'Estaing on November 11 to 12, it was announced from Downing Street yesterday.

The Prime Minister will be accompanied by Mr. Denis Healey, Chancellor of the Exchequer, Mr. Anthony Crosland, Foreign Secretary, Mr. Edmund Dell, Secretary for Agriculture, and Mr. John Silkin, Minister of Agriculture.

## £34m. weapon system order for Marconi

By Michael Donne, Aerospace Correspondent

MARCONI-ELLIOTT Avionic Systems has won an order worth more than £34m. for the supply of head-up display and weapon aiming systems for the American F-16 combat aircraft.

The "Huds" equipment, known as "Huds", is the pilot's study his instruments and aim and fire his weapons while looking straight ahead. Marconi-Elliott is already making "Huds" for eight initial development F-16s being produced by Grand Dynamics of Texas.

Marconi-Elliott will now make "Huds" for the 650 F-16s on order for the U.S. Air Force, and for the 348 F-16s destined for the air forces of four Nato countries, Belgium, Denmark, Holland and Norway.

Part of the equipment will also be made by European companies, including Kongsberg Væpnefabrik of Norway, under a £17.5m. contract with Marconi-Elliott, and another European company, to be announced later.

Also, a number of complete "Huds" will be made in the U.S. by Marconi-Elliott's subsidiary, E-A Industrial Corporation of Channah, Georgia.

The contract was won against Kaiser Electronics, the U.S. company, which was the only other competitor.

### Weather

U.K. TO-DAY

MOST AREAS will have rain, but brighter weather will spread to western and southern areas.

London, southern England, Wales, N.W. England, E. Anglia, the Midlands

Cloudy with rain at first but showers and sunny periods later. Wind fresh to strong becoming moderate. Max. 14C (57F).

Channel Isles, S.W. England

Cloudy with rain at first, showers and sunny periods later. Wind fresh to strong becoming moderate. Max. 14C (57F).

HOLIDAY RESORTS

Lighting up: London 18.42, Manchester 18.45, Glasgow 18.52, Belfast 19.01.

Outlook: Showers or longer periods of rain.

WIND FRESH TO STRONG. MAX. 14C (57F).

Northern and N.E. England, Borders, E. Scotland

Cloudy with outbreaks of rain. Wind light to moderate. Max. 14C (57F).

Lakes, Isle of Man, S.W. Scotland, N. Ireland

Sunny periods and scattered showers. Winds mainly light. Max. 13C (55F).

Highlands, Orkney, Shetland

Sunny periods and scattered showers. Winds fresh to strong. Max. 12C (54F).

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Sunny periods and scattered showers. Winds mainly light. Max. 13C (55F).

Highlands, Orkney, Shetland

Sunny periods and scattered showers. Winds fresh to strong. Max. 12C (54F).

Lighting up: London 18.42, Manchester 18.45, Glasgow 18.52, Belfast 19.01.

Outlook: Showers or longer periods of rain.

WIND FRESH TO STRONG. MAX. 14C (57F).

Northern and N.E. England, Borders, E. Scotland

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